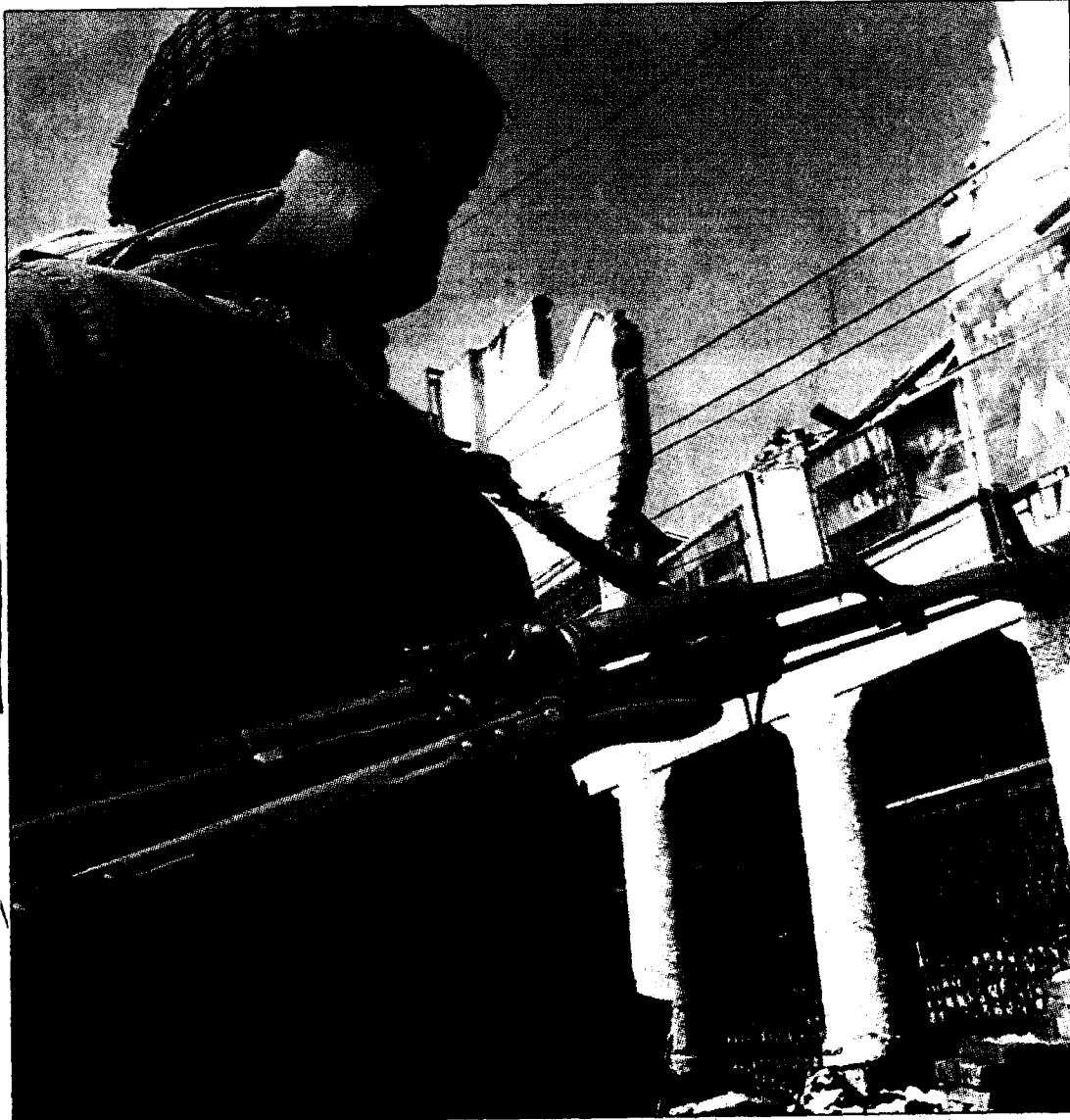


Atal gives peace another chance



A security man in central Srinagar which was crippled by a bandh in the Valley. (Reuters)

FROM OUR SPECIAL
CORRESPONDENT

New Delhi, Jan. 23: Prime Minister Atal Bihari Vajpayee overcame objections from his party to announce a second extension of the Kashmir ceasefire, due to expire on Republic Day.

At the end of a meeting of the Cabinet Committee on Security (CCS), it was clear that Vajpayee's view had held sway over extension opponents in the home ministry and in the BJP.

Later in the day, Vajpayee told reporters that he wanted the "peace initiative to continue and to be given a chance".

The separatist All-Party Hurriyat Conference welcomed the announcement, describing it as a victory for the Prime Minister, but top militant groups based in Pakistan greeted it with outright rejection.

The ceasefire announcement without too many riders surprised many because, over the past few days, home minister L.K. Advani had not been explicit in his interactions with the media. He had, on the other hand, spoken against enforcing a ceasefire when militants continued to target innocent civilians and security personnel.

The CCS meeting took stock of the response from across the border, positive international reactions, significance of a new administration taking over at the White House and the scale of militancy in Kashmir. The three-hour meeting gave a fair indication that unanimity was not spontaneous. It was the foreign policy ad-

vantage that clinched the issue for Vajpayee.

It was a tough decision for the government. Even BJP president Bangaru Laxman, not known to be hostile towards the Prime Minister, had issued a statement late last week from Hyderabad insisting that the government take a "hard look" at the situation in Kashmir before any extension. Laxman was not trying to defy the Prime Minister; but was only conveying the popular perception in the BJP rank and file.

Defence minister George Fernandes, external affairs minister Jaswant Singh, finance minister Yashwant Sinha, national security adviser Brajesh Mishra, Planning Commission executive head K.C. Pant and army chief Gen. K. Padmanabhan were present at the meeting, apart from Vajpayee and Advani.

Announcing the decision, Jaswant Singh later said: "(The) initiative for peace taken by the PM on 23rd November on the eve of the holy month of Ramzan was, despite heinous acts of terrorism and violence against innocent men, women and children, extended by a month thereafter to coincide with Republic Day 2001. The present phase of peace in J&K is being extended, in that hope, by another month."

It appears on hindsight that the government has tried to extract as much diplomatic mileage from the extension decision as possible. Resentment against persisting with the ceasefire has been orchestrated from within the BJP, the Sangh parivar and even the home ministry over the past few days. Only the army chief had

said last week that extension of this current phase of cessation of hostilities would not harm his forces.

Singh made it repeatedly clear that the decision to extend the ceasefire had been taken despite a great degree of provocation. He said: "It is regrettable that Pakistan has not recognised the demand of time for peace and continues to promote, encourage and abet cross-border terrorism. This must cease and the activities of organisations like Lashkar-e-Toiba and Jaish-e-Mohammad curbed and controlled by Pakistan."

At the same time, the government said — especially for the international audience that has been applauding these gestures from New Delhi — it believes that "violence must be ended and peace, which has been welcomed by the people of J&K, given every chance".

In effect, the government was trying to tell Islamabad and the rest of the world it was difficult to take such a stand, but it was so sincere about peace in Kashmir that it had made another challenging decision. Talking to reporters later, Vajpayee urged Pakistan to create a conducive atmosphere for resumption of talks. He said: "We have extended the ceasefire despite acts of violence continuing there."

He passed the onus of reining in the militants to Pakistan. It was obvious his government did not believe Islamabad could only act the helpless spectator as militants crossed the international border or the Line of Control and moved into Indian territory.

■ See Page 6

7-10 Sustainable Ceasefire

The Vajpayee government is to be congratulated for the bold decision to extend its two-month-long unilateral ceasefire in Kashmir for another month despite the pressure that had built up within and without for the security forces to be allowed to resume their offensive operations. The extension will not only bolster the credibility of the government and increase the pressure on Pakistan and the militants to reciprocate, but will also widely be welcomed in the Valley, whose residents, above all, deserve some respite from the endless cycle of insurgency and counter-insurgency operations. In endorsing the extension, it is not our contention that the ceasefire has been a success in purely military terms. Although cross-border shelling has come to an end, militant groups like the Lashkar-e-Taiba have stepped up their attacks and the number of civilian casualties has increased dramatically. The number of militants arrested or killed has fallen and there are fears that the insurgents might have used the suspension of cordon-and-search operations and roadblocks to move some of their weapons and explosives from the border areas into Srinagar and other Valley towns. Even the relative lull along the Line of Control might conceal a sinister development: there are intelligence reports which suggest Pakistan is rebuilding its bunkers and other fortifications in the Neelam valley and elsewhere so that when the ceasefire ends and the LoC becomes 'hot' again, it will be better prepared to withstand Indian counter-shelling. All these developments, however, do not mean that the ceasefire should not continue.

By itself, the ceasefire is primarily a political rather than a military move as it opens up the possibility of a wider set of initiatives. Indeed, if there is one weakness with the Vajpayee government's current strategy, it is not the ceasefire itself but the inability to articulate a fresh set of measures that could build upon the goodwill generated by the ceasefire. Through their participation in record numbers in the recent panchayat elections, ordinary Kashmiris have demonstrated that they have not turned their backs on politics. They continue to nurture a deep sense of grievance against New Delhi, but their prime concerns today are civic and economic rather than ethnic or religious. Nine times out of ten, it is the lack of electricity that brings people onto the streets, not the demands of the militants. When General Padmanabhan, the Army chief, said that Kashmir needs a political solution, it was presumably the complete collapse of governance in the state that he had in mind. Inefficient and nepotistic, the Abdullah administration is squandering on the political front the gains our security forces have made on the battlefield. Human rights violations — such as the recent custodial killings in Srinagar in the wake of the Lashkar attack on the airport — only make the situation worse. A ceasefire makes sense only if it is one component of a larger strategy of winning the peace. Now that it has extended the ceasefire, the Vajpayee government must also decide on how it proposes to go about the larger task.

THE TIMES OF INDIA

24 JAN 2001

Govt rejects Hurriyat as third party in talks with Pak

Indrani Bagchi

NEW DELHI 15 DECEMBER

THE GOVERNMENT, on Monday night, rejected any notion that the Hurriyat Conference could be a "third party" in any dialogue on Kashmir with Pakistan. In a late night development, the ministry of external affairs (MEA) responded sharply to a Pakistan foreign office statement welcoming a five-member Hurriyat delegation to Islamabad as the beginning of a tripartite dialogue, saying: "There is no question of a tripartite process and India rejects the very notion of tripartite talks."

Meanwhile, Indian high commissioner in Pakistan Vijay Nambiar paid his first call on

chief executive Musharraf on Monday and reiterated India's stand that no bilateral talks could be held with a gun pointed at India's head. He said "the cessation of cross border terrorism in order to create an appropriate environment was an obvious requirement."

Monday's statement puts a big question mark on the Hurriyat delegation's proposed trip to Islamabad, robbing them of the legitimacy they believed they had vis-a-vis the Kashmiri people.

The Indian reaction on the Hurriyat visit assumes importance in the context of the tremendous publicity it has attracted. Between the Pakistan government and the Hurriyat leaders themselves, the visit

acquired a profile that was distinctly at variance with the real importance of the body as a representative of Kashmiri opinion.

The government has long regarded the Hurriyat as being only one of the bodies of Kashmiri opinion and that the Hizbul Mujahideen was just as crucial, being the largest indigenous militant outfit in the valley. As a matter of fact, the majority of the Hurriyat leaders are dismissed here as being NGO representatives of the Pakistani establishment with little or no independent stand.

What has really queered the pitch for the Hurriyat was the travel plans and itinerary of Jamaat leader Syed Afi Shah Geelani, a professed pro-Pakistan

hardliner. Geelani's inclusion in the team virtually sealed the fate of the entire delegation. With the United Jihad Council (UJC) in Pakistan waiting to make a mascot out of him for a jihad against India and Geelani ready with India-bashing sentiments, it is unlikely that the government will be issue him any travel documents to go to Pakistan.

Besides, there were already reports that Geelani's trip might see a power shift within the Hizbul Mujahideen and its parent body, Jamaat-e-Islami, intended somehow to marginalise local Hizb commander in the valley Abdul Majid Dar. According to sources familiar with developments, Geelani's inclusion in the team was at the personal behest

of ISI chief Mehmood, who has assumed a hardened stand against India.

That the government has been having second thoughts about the entire process was clear from the home minister's statement on Monday. "We are not ready to believe that the Pakistan government has no control over the militant outfits... If such activities go on, then we will have to see how and in what manner the peace initiative by Prime Minister Atal Behari Vajpayee will continue," he said.

It is believed that Mr Nambiar too had asked General Musharraf to rein in militant activities which, according to reports, was met with silence. Herein lies the confusion within

the Pakistani establishment. According to sources, General Musharraf is more inclined towards talks than ISI chief General Mehmood, who believes the "Bleed India" policy to be more effective.

The rumblings of discord between the top two in Pakistan are indicative of the internal debate within Pakistan about the nature of the Kashmir question: Whether it is a political one to be resolved by the state apparatus or a jihad to be fought for religion by the sword.

Therefore the real question is not whether India is willing to talk Kashmir with Pakistan. It's whether General Musharraf can bring himself to defeat the jihad forces in his own administration.

The Economic Times

16 JAN 2001

Cong. sets up 15-member drafting committee

By Javed M. Ansari

NEW DELHI, JAN. 15. A 15-member drafting committee has been formed to prepare the draft of various resolutions for consideration at the plenary session of the Congress. Headed by Mr. Pranab Mukherjee, the committee held its preliminary meeting this evening. Besides Mr. Mukherjee, the committee featured almost all the big guns of the Congress, barring Chief Ministers. The committee consisted of Dr. Manmohan Singh, Mr. Madhav Rao Scindia, Mr. Arjun Singh, Mr. N.D. Tewari, Mr. Natwar Singh, Mr. A.K. Antony, Mr. J.B. Patnaik, Mr. Madhavsinh Solanki, Mrs. Ambica Soni, Mr. Salman Khursheed, Mr. Manishankar Aiyer, Mr. Jairam Ramesh, Mr. P.J. Kurien and Mr. Janardhan Dwivedi.

Usually the plenary takes up for consideration three important resolutions, dealing with political, economic and the international situation. In a significant departure from nor-

mal practice, the party also decided to have a special resolution on agriculture and the plight of farmers. The committee set up four separate sub-committees to prepare the draft of resolutions on economic, political, international and farmers issues. While the economic affairs committee would be headed by Dr. Manmohan Singh, the sub-committee on political and international affairs would be headed by Mr. Arjun Singh and Mr. Natwar Singh respectively. The sub-committee on farmers would be headed by Mr. Balram Jhakar.

The Congress is planning to take up the farmers issue in a big way and has drawn up an agitational programme to highlight their problems on account of Government policies. During the recently-concluded winter session of Parliament, the party focussed on the issue and had moved an adjournment issue on the very first day. The party wanted to build on that by bringing a separate resolution at the plenary session. It is also planning to hold a farmers

rally in the capital during the Budget session of Parliament next month.

A debate is also currently raging in the party over the line it should take on the economic policy. Though it was the Congress which had initiated the economic reforms process, there is a certain disquiet with the direction the reforms process had taken under the NDA Government.

A strong section of the party felt that the Congress must rethink its stand on some important sectors like bank denationalization and disinvestment policy.

The Congress president, Ms. Sonia Gandhi, had set up an economic introspection group headed by Mr. Pranab Mukherjee to examine the issue and the group had managed to water down the party's stand on some important sectors. The pro-changers in the party wanted to give the reforms package a human face, with greater allocations for the infrastructure sector.

THE HINDU

THE HINDU

16 JAN 2001

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Vajpayee rejects Nitish resignation

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By Our Special Correspondent

NEW DELHI, JAN. 6. The Prime Minister, Mr. Atal Behari Vajpayee, tonight rejected the resignation of the Union Agriculture Minister, Mr. Nitish Kumar, from the Cabinet. The resignation was forwarded this evening to the Prime Minister by the Defence Minister, Mr. George Fernandes. Mr. Fernandes was compelled to do so as the stand-off between the Samata Party leader, Mr. Nitish Kumar, and the rebels continued.

Unwilling to concede any ground to his detractors, Mr. Nitish Kumar forced the issue and insisted that Mr. Fernandes forward the resignation letter to Mr. Vajpayee. Mr. Fernandes said he did so "most reluctantly" after having failed to persuade Mr. Kumar to withdraw it.

The Prime Minister is understood to have called up the Agriculture Minister to communicate his decision. Mr. Kumar had put in his papers on Wednesday after six party MPs launched a broadside against him on January 3 for initiating a merger move with the Janata Dal (United) and regarding other party issues.



Mr. Nitish Kumar, while reposing trust in the Samata Party parliamentary party leader, Mr. Fernandes, launched another attack on the six MPs who elected the Gopalganj MP, Mr. Raghunath Jha, as their State unit chief on Friday at a parallel meet.

"These six MPs cannot dictate terms to the party," Mr. Kumar said, responding to their stand on the merger, which, he said, the party's national council accepted in principle through a resolution last January. He justified his resignation on the ground that since half of the 12 party MPs criticised

him personally, he did not want to represent the outfit in the Government. Barely 48 hours before the party's national council meet, scheduled to start at Mysore to elect a new party chief, the leadership was on a fire-fighting mission trying to find a common ground between Mr. Kumar and the six dissenters.

The six dissenting MPs too started assembling in Delhi and it is understood that Mr. Fernandes was making another attempt to get them around. Both camps have reposed complete faith in Mr. Fernandes' ability to administer "justice".

Meanwhile, the 12 MPs of Janata Dal (Samata), as the party is known in Lok Sabha, today merged with the Samata Party. The merger decision was taken unanimously at a meeting of the party on December 18, where all the MPs were present, according to the Samata spokesperson here. The merger was a technicality since the JD (Samata) had split from the Janata Dal (United) to form a separate entity in Parliament.

Bid to silence detractors: Page 7

THE HINDU

7 JAN 2001

Resignation drama ends, Nitish to stay on

HT Correspondent
New Delhi, January 6

PRIME MINISTER Atal Bihari Vajpayee today rejected Nitish Kumar's resignation from his Cabinet amid strong indications of rearguard action by Samata patriarch George Fernandes to reconcile differences between the warring party factions.

At the end of the day, marked by high drama, Kumar managed to prove the point that he had set out to make by insisting that Fernandes forward his letter to the Prime Minister. Yesterday, he had established a near-total hold on the party in its stronghold, Bihar. Today, he conclusively proved to his detractors that, leave alone his supremacy in the key State,

even his position as Central Minister did not depend on their pleasure.

It's too early to predict whether or not Fernandes will succeed in his peace efforts. Until late tonight, dissident leader Raghunath Jha was closeted with him at his Krishna Menon Marg bungalow.

However, a more appropriate forum to demonstrate unity, if it comes about, would be the Samata's January 8-9 National Council meeting in Mysore, where the party will be electing its president. Either Samata's working chief Jaya Jaitley's position would be regularised at the conference, or else she would make way for Fernandes or Kumar.

A silver lining in the otherwise grim scenario was that Kumar and Jha re-

affirmed their faith in Fernandes's leadership, while promising to abide by his decision to break the logjam.

Earlier in the day, the Defence Minister forwarded Kumar's resignation to Vajpayee after the Kurmi chieflain spoke to him, following a brief telephonic conversation with the PM himself.

Vajpayee has called up Kumar to invite him for a meeting of the Cabinet Committee on WTO.

"I haven't received your letter," Vajpayee is said to have remarked upon being reminded by Kumar that he had sent in his resignation to the Defence Minister last Wednesday.

What followed was another telephonic conversation, this time between the two Samata bigwigs, in the course of which the Minister refused to budge from his decision to quit the Government.

Fernandes was left with no option but to accede to his colleague's request. He, however, clarified in a statement that he was constrained to forward the letter to the PM at Kumar's insistence.

Earlier, Kumar told *The Hindustan Times* that if his ministership was dependent on the six rebellious Samata MPs—who held a parallel conference of the party's Bihar unit in Patna yesterday—he wasn't interested

in holding on to it. "It should be settled once and for all," he remarked, "whether I'm a Minister because of the MPs..." He refrained from saying more. But after having effaced his detractors in Bihar, he was determined to test their clout at the Centre.

However, the Samata's fate in Parliament would depend on the rebel group's reaction to the turn of events. It seems that Kumar had, in seeking a decision on his resignation at the highest level in the NDA, only wanted to put the dissidents in their place.

In a related development, Samata spokesman Shambhu Shrivastav announced that the party's parliamentary group, hitherto called the Janata Dal (Samata), had merged with the Samata headed by Jaitley.



THE HINDUSTAN TIMES

7 JAN 2001

All my Ayodhya statements were well thought-out: PM

By Neena Vyas

NEW DELHI, JAN. 5. The Prime Minister, Mr. Atal Behari Vajpayee, told the Bharatiya Janata Party here today that his various statements on the Ayodhya issue were "well thought-out" (*sab soch samajh ke kaha*).

His was a summing-up at the end of the two-day national executive committee meeting. His view was different from the general perception that he had contradicted himself through different statements on Ayodhya made to the press, in Parliament and through his Kumarakom "musings".

His message was that the party members should go out to the people, publicise Government schemes, and the party must remember that while India had a huge foodgrain stock today, the buffer stocks must be maintained as tomorrow there might not be bumper harvests.

For example, he pointed out that the Government scheme allowing 10 kg of free foodgrain for the elderly had not met with a good response; the offtake against this had been negligible, perhaps because the scheme had not been publicised well.

Hindus, Muslims plan talks

NEW DELHI, JAN. 5. After a prolonged legal battle and the demolition of the Babri Masjid in Ayodhya in 1992, leaders from Hindu and Muslim communities have agreed to sit across the table for the first time on January 13 in Lucknow in a bid to resolve the issue.

The former chairperson of the Bajrang Dal, Mr. Vinay Katiyar, MP, and Mohammed Hashim Ansari, who filed a court case in this regard, said that if two parties could engage in a dialogue for solving the Kashmir issue, Hindus and Muslims could also have talks to settle the Ayodhya dispute.

A decision on delegates from the two sides would be taken later. It was, however, expected that office-bearers of both the Vishwa Hindu Parishad and Babri Masjid Action Committee (BMAC) would participate.

Welcoming the proposal for talks, a senior vice-president of the VHP, Acharya Giriraj Kishore, said he had been invited for the meeting. If the talks were successful, it would be in the best interests of both the parties and begin a new chapter of amity.

Mr. Ansari said over phone from Faizabad that office-bearers of the BMAC would participate in the talks and their names would be decided at a committee meeting in Lucknow on January 7. He said talks would pave the way for settling the dispute. Asked what would happen if the BMAC disagreed, he said, "I have fixed the date for talks, and if required I will talk alone because it is an issue concerning Ayodhya." — PTI

Regarding the perception that the widespread discontent among farmers would spell problems for the party when it faced Assembly polls this year, Mr. Vajpayee

asked the party members to go to the people and explain the issues with confidence. It was a problem of plenty, not of shortage, he emphasised. He characterised the

World Trade Organisation obligations — the result of commitments by a previous government — as the villain of the piece.

Overall, the executive meeting lacked focus and excitement. Issues such as Ayodhya and the contradictory statements from the Prime Minister were swept under the carpet; nor was there any real exchange of views on the Kashmir issue although a resolution was adopted on the subject.

The fact that the party also adopted a separate resolution on the Northeast was an indirect acknowledgement that the level of insurgency there had increased.

Perhaps the most significant acknowledgement of the problems the party could face in the coming Assembly polls because of discontent and anger in the farming community was the adoption of a separate resolution on agriculture and setting up of a committee to study the agriculture policy. Senior party leaders have been saying that "corporatisation" of agriculture suggested in the policy "may work" only for some cash crops, and will almost definitely be resisted by the vast majority of the farming sector which grows wheat and rice.

Not a soft state: Page 13

THE HINDU

6 JAN 2001

Ayodhya was a slip of the tongue: Vajpayee

SUDESH K VERMA
STATESMAN NEWS SERVICE

NEW DELHI, Jan. 5. — The Prime Minister today admitted at the BJP national executive meeting that his statement on Ayodhya, which led to a controversy, was a slip of tongue.

"Ek vakya par sara hua, pata nahin kaise nikal gaya, shayad koi purana resolution dimag me tha (One sentence created the whole controversy. How it came out I don't know, probably some old party resolution was in my mind)," Mr Atal Behari Vajpayee said.

The entire executive laughed at the explanation. The members were apparently convinced the statement could have been avoided. A senior leader later said Mr Vajpayee's admission would turn off the hardliners as they had started believing that his statements on Ayodhya indicated a direction on the issue.

Mr Vajpayee's explanation is in tune with what he had said in

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a recent article that dealt with Ayodhya and Kashmir. The Ayodhya controversy flared up after Mr Vajpayee stated the temple movement was an expression of national sentiment and suggested ways building a Ram temple at the disputed site.

After his year-end break in Kerala, the Prime Minister had come out with the article to clarify his stand. Today's comments were another attempt to



tell party leaders that he should not be misunderstood, a BJP leader said.

Delivering the valedictory address at the executive, Mr Vajpayee said the Opposition was trying to drive a wedge within the NDA on the Ayodhya issue, which the party spokesman, Mr Jana Krishnamurthy, described as "small".

Mr Vajpayee admitted that the NDA's apparent problems were a fallout of its cons-

tituents' compulsions. The test of the coalition was that it had withstood all opposition.

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He spoke at length on agricultural issues and talked about the paradox that people were dying of hunger while the country was having surplus foodgrains. There was a suggestion that foodgrains could be given to the needy free of cost. But the farmers also deserve a fair price. The paradox needed to be resolved, he said.

Mr Vajpayee told the executive the foodgrain production next year was likely to fall. Yesterday, the Union finance minister, Mr Yashwant Sinha, had said the production was likely to fall by seven-nine million tonnes.

Mr Vajpayee asked the party to popularise government programmes such as 10 kg free foodgrains for senior citizens in the BPL category.

■ Hindu-Muslim meet on Ayodhya, page 8

THE STATESMAN

6 JAN 2001

A new era in aviation technology

Shishir Gupta
New Delhi, January 4

THIS MORNING'S successful flight of the prototype of the Light Combat Aircraft (LCA) not only validated this aerial platform, it flew India into a new era in aviation technology.

After 18 years and the expenditure of Rs 3,000 crore, India can now claim to have the infrastructure to indigenously develop a supersonic fighter aircraft. The Indian Air Force (IAF) will have to wait for as much as another decade to induct the LCA. However, the country's aeronautical industry can now build on its current capability and possibly produce an advanced fighter in the future. The window is also open for foreign joint ventures and exports.

Though the LCA could be inducted into the IAF by 2004, analysts say it is likely to be quite some time before an indigenous engine, avionics, radar and weapon systems are integrated with the tested platform. The prototype flown this morning is powered by an American GE-404 turbofan engine. This is scheduled to be replaced by the indigenous Kaveri engine by 2005.

There are concerns the LCA will be technologically out of date before it goes into serial

Congratulations: Cong

THE CONGRESS today congratulated Indian scientists for the first successful test flight of indigenously-developed light combat aircraft. party's spokesperson Prithviraj Chauhan said: "There were fears that the project may not get off in view of US sanctions after the Pokharan tests but the Indian scientific community has overcome the challenge."
HTC, New Delhi

production. Even so, it will still be a stepping stone for Indian industry towards the production of more advanced multi-role fighters.

There has been criticism of the LCA's slow progress. But even the United States has already spent 20 years developing its next advanced tactical fighter the Lockheed Martin F-22, which is billed to replace the 1970s vintage F-15 Eagle during this decade. The gestation periods of Sweden's Saab Gripen, the Eurofighter and the Russian Sukhoi-35 have been or are expected to be equally long. Experts say it is common for a fighter to take 32 years to design and build.

The LCA's maiden flight is therefore no mean achievement.

The delays in the LCA project, in part because of the sanctions imposed after the Pokharan II tests, have left the IAF's force levels depleted. The LCA's tardy progress has left the IAF at less than its sanctioned strength of a little over 39 fighter squadrons. In order to plug this gap, the IAF signed a contract to buy 40 Su-30 MKI fighters outright and the right to produce another 140 such aircraft under licence. It will also buy a squadron of Mirage 2000 N and two squadrons of Jaguar deep-penetration strike aircraft.

With the IAF seeking a two-front fighting capability and a force level of 55 squadrons by 2020, the LCA is expected to replace the MiG-21s in the next decade as the backbone of the IAF. The IAF also needs force multipliers like AWACS aircraft, air-to-air refuelling capability and unmanned aerial vehicles.

As the size of the IAF will be governed by the level of technology India acquires, it is critical the Aeronautical Development Agency integrate state-of-the-art systems into the LCA to avoid technological obsolescence.

This is the only way the IAF will be able to exploit the information technology-based Revolution in Military Affairs and gain the strength to play a strategic role, ending claims it is confined to being a largely tactical force.

THE HINDUSTAN TIMES

5 JAN 2001

Anguished Nitish quits, George rules out split

PRESS TRUST OF INDIA
PATNA, JAN 4

IN a dramatic turn of events, Union Agriculture Minister Nitish Kumar today resigned, apparently angered over rebel Samata Party MPs' attack on him and senior party leader George Fernandes' assurance to them against merger with JD(U).

Fernandes, however, dismissed Kumar's resignation saying, "There is no such thing" and told reporters in Bangalore that the merger issue would not lead to a split in the party nor have an impact on the NDA government.

After shooting off his resignation letter to Fernandes, with a request to forward it to the Prime Minister, Kumar flew in here a day ahead of the state party convention which will be a virtual trial of strength in this largely Bihar-based party.

Out of 12 Samata party MPs in the Lok Sabha, 10 are from Bihar, with dissidents claiming support of seven.

After Kumar was authorised by

state legislators to work out modalities for merger with JD(U), he came under severe attack from rebel MPs led by Bihar unit chief Raghunath Jha, who threatened on Wednesday evening to split the party by holding a parallel convention.

Fernandes, however, averted a crisis by dissuading them from holding the parallel convention with an assurance that there was no question of a merger with JD(U).

Hours later, Kumar reacted by sending in his resignation to Fernandes and announcing it here on arrival from Delhi.

Infighting over the proposed merger has almost threatened to split the party. Those opposed to it feel the merger would only strengthen the hands of RJD supremo Laloo Prasad Yadav and give pride of place to JD(U) chief Sharad Yadav who had no base in Bihar and would therefore be a virtual liability for the Samata Party.

In a late night fire-fighting mission, Fernandes assured the dissidents that there was no question of

a merger with JD(U), according to dissident Samata MP Arun Kumar.

Following the assurance, the dissidents decided to call off their parallel meet, but a slighted Kumar shot off his resignation letter to Fernandes before taking a flight to Patna for the party convention.

Announcing his resignation at the Patna airport, Kumar said the dissidents were "free to do whatever they want...I am in no way concerned with such an affair." Asked whether he recommended disciplinary action against rebel MPs, he said, "It is upto those who deal with such a matter."

"What I will say is that it is not a democratic way or beyond parliamentary norms that the MPs have launched a tirade against me...We should have discussed such a matter during parliamentary party meeting instead of rushing to media," Kumar said.

Launching a broadside against rebel Samata MPs, Kumar said, "Their intentions are known and partymen are well aware of it..."

CONTINUED ON PAGE 2

INDIAN EXPRESS

5 JAN 2001



WHEN FLAKED OUT, IT PAES TO MAKE A DENT AS A MAHOUT: Indian tennis star Leander Paes (right) and Taylor Dent of the U.S. take a ride on an elephant during a break in the ATP Gold Flake Open tennis tournament in Chennai on Wednesday. Dent created the biggest upset by beating top-seed Magnus Norman on Tuesday, while Paes crashed out in the first round.

Expedite reforms process, Vajpayee tells ministers

The Times of India News Service 411

NEW DELHI: Prime Minister Atal Behari Vajpayee on Wednesday called a meeting of the ministers in charge of core economic ministries to impress upon them the need for reforms at a faster pace.

The meeting reviewed the progress made in important areas of the nation's economy, with Mr Vajpayee emphasising the need for quick decision-making and speedy implementation of the decisions already taken. Privatisation of public sector undertakings was one of the areas identified by the Prime Minister as an issue requiring urgency.

Mr Vajpayee was reportedly upset with the cancellation of the December 23 cabinet committee meeting on disinvestment which was to decide on the disinvestment of the government's equity holdings in MTNL, VSNL and Maruti Udyog.

The meeting had to be cancelled as communications minister Ram Vilas Paswan and heavy industries minister Manohar Joshi were busy with other engagements. Mr Paswan, who had given his consent for the divestment of a 26 per cent stake in VSNL in favour of a strategic partner, reportedly developed cold feet later. Mr Joshi has been opposed to the idea of the government quitting Maruti, its 50:50 joint venture with Suzuki Motor Company of Japan.

Mr Vajpayee's decision to call the meeting assumes significance in the light of his views on India's development priorities in the 'Musings from Kumarakom' which he wrote this week. Not satisfied with the progress of the disinvestment programme, which was targeted to raise Rs 10,000 crore this year, Mr Vajpayee is understood to have told his colleagues that policy measures should be taken with an eye to ensuring fast economic growth.

The Prime Minister, in his Independence Day address, set a target of doubling per capita income in 10 years, which means an annual growth of nine per cent.

Among those present at the meeting were finance minister Yashwant Sinha, commerce and industry minister Murasoli Maran, power minister Suresh Prabhu, disinvestment minister Arun Shourie, home minister L.K. Advani, foreign minister Jaswant Singh and defence minister George Fernandes.

PM pits priests against VHP

FROM RADHIKA
RAMASESHAN

New Delhi, Jan. 3: Taking a leaf out of P.V. Narasimha Rao's book, Prime Minister A.B. Vajpayee is trying to divide the sadhus and scuttle the Vishwa Hindu Parishad's plan to announce a date for the Ram temple construction at its dharam sansad this month.

BJP sources said "influential" clerics, including those from the Bharat Mata temple of Hardwar and Nriitya Gopal Das of Ayodhya's Maniram Chavni, believed that the time was not "ripe" for the construction of a "grand" temple in Ayodhya.

The sadhus felt a government headed by a "popular" Prime Minister from the heartland, an Uttar Pradesh Brahmin in particular, must not be "disturbed". "Disrupting status quo at the Centre would leave the field open for the likes of Laloo, Mulayam and Mayavati. This should not happen, the clerics believe," a source said.

The Prime Minister is counting on the "dissenters" to persuade the dharam sansad — which

meets in Allahabad on January 19, 20 and 21 — to defer the construction announcement. "Eventually, the sansad may constitute another high-level committee to finalise the date and this could help the Centre buy time for a negotiated settlement or wait for the judiciary's verdict," a source said.

The VHP was earlier expected to declare the date in a meeting in Panaji last September, but the announcement was postponed to January. The BJP is bargaining for a second postponement.

Sources said Vajpayee was as "keen" to resolve the Ayodhya dispute as he was to find a peaceful solution to the Kashmir problem. He had even sounded the VHP on the issue. "Indeed, a major target audience of his Kerala musings (the two articles penned for selective newspapers) was the VHP and he hopes they will receive his message for a negotiated settlement in the spirit in which it was meant," a source said.

After the first flash of anger against Vajpayee's articles — in which he obliquely warned the VHP not to violate status quo in Ayodhya — the outfit has become

subdued. Senior vice-president Acharya Giriraj Kishore said: "The VHP did not have anything to rejoice earlier when Vajpayee said temple construction was a national aspiration. Nor are we anguished today. We stand by our agenda, and we will listen only to the *dharmacharyas*." But he was noncommittal when asked if Vajpayee's veiled warning would be a stumbling block to fulfilling their temple agenda.

RSS sources said they have decided not to criticise Vajpayee's Ayodhya turnaround. "We have decided instead to support him fully and this will be reflected in the editorial pages of our journals," a source said.

Rao had nearly convinced one section of the clergy to advocate building the temple outside the disputed site. But the VHP and the BJP foiled his plans. This time, sources said, the conditions were different. The mosque was not there and no party had demanded its reconstruction at the site. Therefore, they claimed, the makeshift temple could be upgraded to a permanent structure through talks or the court's verdict.

THE TELEGRAPH

4 JAN 2001

Atal confesses concern over intolerance

FROM OUR SPECIAL
CORRESPONDENT

New Delhi, Jan. 2: Prime Minister Atal Bihari Vajpayee today sounded almost like President K.R. Narayanan when he expressed concern over the increasing "trend of intolerance" in Indian society.

The second part of Vajpayee's article, *My Musings from Kumarakom*, devoted several paragraphs to this subject. Like the first part, today's article was distributed only among a few newspapers arbitrarily chosen by the government.

Continuing in his "secular avatar", the Prime Minister said: "Diversity does not permit divisiveness or exclusiveness. Similarly, unity cannot be achieved through uniformity."

"In this context, I must confess that the growing trend of intolerance which I see in our society today worries me deeply. This trend must be checked," he said.

Even during the Dangs Christian-bashing controversy, the Prime Minister had not made such an admission. Though he had decried the violence on the minority community, he had also called for a national debate on conversion.

The furore created by Vajpayee's statement in Parliament in defence of the Ayodhya movement appears to have prompted the massive image-repair exercise.

The hardliners in the Sangh parivar have been silent on Vajpayee's Kumarakom musings. The BJP is denying he has made any departure from the party's stand on these subjects.

The Prime Minister argued that the nation belonged equally to all citizens and communities, not more to some and less to others. In a balancing act, he also pointed out that all citizens and communities had an equal duty to

strengthen national unity and integrity and to contribute to its progress. "In recent times, there has been a tendency to focus more on one's rights and less on one's duties. This must change," Vajpayee said.

The Prime Minister fell back on Indian heritage to assert that the country's unity had been nurtured by a secular ethos, which inclined one towards tolerance of each other's customs, traditions and beliefs.

"Secularism is not an alien concept that we have imported out of compulsion after Independence. Rather, it is an integral and natural feature of our national culture and ethos," he said.

Perhaps in an effort to erase his party's communal image, the Prime Minister said it was strange and disconcerting that many had begun to think of the Indian polity as either "secular" or "communal". "Indian people do not give their mandate to any party or a coalition that does not follow a secular, inclusive and integrative agenda. To think otherwise is to disparage our people's democratic intelligence," Vajpayee said.

In the first part of the article yesterday, the Prime Minister had tried to dispel the notion that he had shed his secular credentials with his stolid defence of three Cabinet colleagues — L.K. Advani, Murli Manohar Joshi and Uma Bharti — implicated in the Babri demolition case.

Suggesting that the days of dynasty were over, Vajpayee said in his youth he had seen Pandit Jawaharlal Nehru unfurl the national flag at Red Fort on "that immortal midnight hour on August 15". "Little did I know that just after a decade, I would be sitting with him in Parliament discussing and debating affairs of the nation," he said, adding that this was a tribute to the vibrancy of Indian democracy.

THE TELEGRAPH

3 JAN 2001

Call of the new year: clear vision, concerted action

By Atal Behari Vajpayee

In my article yesterday, I had expressed some thoughts on the Kashmir question and the Ram Janmabhoomi-Babri Masjid dispute, the two problems that we have inherited from the past. Today I wish to share my vision of how we can leave a better legacy for our future generations.

I am one of those fortunate people in public life who have not only observed, but also participated in the evolution of independent India from 1947 till now. As a student I had taken part in the freedom movement. As a young man of 22, I had seen our first Prime Minister, Pandit Jawaharlal Nehru, unfurl the Tricolour at Red Fort at that immortal midnight hour on August 15. Little did I know that just after a decade I would be sitting with him in Parliament discussing and debating affairs of the nation. It is a tribute to the power of India's democracy that an ordinary man like me, son of a village teacher, has since been called upon to serve the nation as its Prime Minister. The days of dynasties are over in India's vibrant democracy.

When I look back at free India's journey through the past five decades, I am filled with pride and disappointment in equal measure. Pride because we have been successful in preserving two ideals that are most precious to all of us: one, the unity of India, and two, our democratic system. This is not a mean achievement given the track record of many newly independent countries, including some in our own neighbourhood. Few countries in the world, facing the kind of challenges of development and governance that India does, have so steadfastly continued on the democratic path. Similarly, few multi-religious, multi-lingual and multi-ethnic societies in the world have presented such an exemplary demonstration of unity in diversity as India has done.

Proud achievements

On the developmental front too, we have many proud achievements to our credit. All the governments of the past, belonging to different parties and coalitions, have contributed in their own way to India's self-reliant progress on several fronts. Many developing countries look up to

India as an example for building indigenous policies and programmes for socio-economic development. We should never belittle India's achievements, as some people do. Such belittlement only serves to spread cynicism, apathy and inaction, qualities we must shun.

Nevertheless, I am as distressed as all my countrymen are at the wide gulf between India's indisputable potential and her actual performance. Nothing agonises me more as the Prime Minister than the realisation that millions of my countrymen, even after five decades of Independence, still do not have enough to eat and proper roofs to sleep under. Many have to suffer even for the lack of drinking water and basic medical care. If children are deprived of good food, good education and good upbringing, the loss is not only theirs and their families'; the nation too deprives itself of precious human resources for its all-round development.

We must change this reality, and we can. India does not lack the requisite natural resources to remove these basic developmental inadequacies. We also have a vast reservoir of talented and hard-working men and women. Many of those who have gone abroad to work have scripted amazing success stories, earning high reputation for themselves and their motherland in their host countries. I often ask myself the question: if Indians can overcome all the odds and succeed spectacularly outside India, why can't we do so in India itself?

Yes, we can create prosperity for all. We can fully remove poverty, unemployment and all other traces of underdevelopment from India. What is needed is an inspiring national vision, a strong sense of purpose shared by all the citizens and communities of our diverse country and a single-minded determination supported by concerted action to achieve what are identified as common national goals.

Strong national mind

A nation attains greatness when it develops a strong national mind. All of us know that the power of the mind is immense. It is true about the individual mind, and also true about the national mind. When India was unfree, attainment of freedom was our single-minded national objective. Sadly, after Independence, we failed to mobilise our national energies for a similar single-minded pursuit of the goals of nation-building.

Our first task is to strengthen the awareness that we are one people — sisters and brothers who are children of the Great Mother India. Ours is a vast and varied country. Sometimes, however, we get so involved in our own narrow concerns and so obsessed with our own specific identities, that we tend to ignore the chief source of our national pride and strength — namely, India's diversity and her essential unity. Some of our citizens focus too much on one or the other

aspect of our diversity, ignoring the common national bonds that unite us. Others ignore our diversity and, instead, tend to overemphasise only certain aspects of our national unity. In my view, both approaches are wrong.

Diversity does not permit divisiveness or exclusiveness. Similarly, unity cannot be achieved through uniformity.

In this context, I must confess that the growing trend of intolerance which I see in our society today worries me deeply. This trend must be checked.

India belongs equally to all her citizens and communities, not more to some and less to others. At the same time, all citizens and communities have an equal duty to strengthen our national unity and integrity, and to contribute to the nation's progress. In recent times, there has been a tendency to focus more on one's rights, and less on one's duties. This must change.

Mutual tolerance

Throughout her long history, India's unity is nurtured by an ethos of secularism that teaches all her people not only to tolerate each other's customs, traditions and beliefs, but also to respect them. Mutual tolerance and understanding leads to goodwill and cooperation, which in turn strengthens the silken bond of our national unity. Secularism is not an alien concept that we imported out of compulsion after Independence. Rather, it is an integral and natural feature of our national culture and ethos.

This being India's social truth, I find it both strange and disconcerting that our polity is sought to be divided between "secular" and "communal" parties. Indian people do not give their mandate to any party or a coalition that does not follow a secular, inclusive and integrative agenda. To think otherwise is to disparage our people's democratic intelligence.

Leaving non-issues behind, politics and governance in India should be redirected towards achieving faster, more balanced and more equitable socio-economic develop-

MY MUSINGS FROM KUMARAKOM — II

ment. Our people's hunger for development is growing. However, the governmental machinery is not working fast enough to meet this hunger. Most often our people's demands are very simple and basic: better road connectivity, better drinking water and sanitation facilities, assured and adequate supply of power to farmers, etc.

Both the Central and State Governments have drawn up many policies and programmes to deliver these needs, for which significant resources are budgeted. The system of implementation, however, routinely lets us down. Those who suffer the most because of delayed and defective implementation of policies, programmes and projects are invariably the poor and the underprivileged — especially Dalits, Adivasis and OBCs. This has been the experience both at the Centre and in the States. And all parties that have been in power have experienced this major shortcoming in India's developmental strategy.

Radical reforms

Therefore, the time has come to introduce radical developmental reforms, which should encompass, besides economic reforms, administrative and judicial reforms.

The most important component of these reforms is to fix transparent accountability at all levels and increase people's involvement in monitoring the functioning of all agencies that impact on development. This is necessary to check corruption, which drains away so much of the budgetary resources of the Centre and the States. Development is too important a matter to be left to bureaucrats alone. People must be empowered not only to demand results, but also to actively participate in the attainment of results. This calls for a new partnership between the Government and the people in consonance with the true spirit of democracy.

I need hardly add here that this places a far bigger responsibility on our citizens than has been realised by them so far. The habit of looking to the Government for a solution to every problem must give way to a new democratic attitude of fully participating in the Government's efforts and of maximising the scope of non-governmental efforts. This calls for a better work culture, a superior civic culture, strong discipline and a radical shift in the attitude of the citizenry from rights to duties. This also increases the responsibility of our elected representatives in Parliament, State Legislatures and Panchayati Raj institutions. They must act as good law-makers and effective overseers of the Executive.

I have another thought to share with my countrymen. Some people, while talking about economic reforms, often raise voices of alarm and impending national crisis. Recalling how India became a colony of a foreign trading company in the past, they prophesy that India will again be "sold out"

to foreigners if economic reforms are allowed to be continued. This is a ludicrous prophesy. India is a free nation. It is a democratic nation governed by the will of the people. It is also an incomparably stronger nation today than when the British colonised us. Who can dare sell out today's India? And who can dare buy out today's India?

Economic reforms

We have a vibrant and self-reliant economy. The true purpose of economic reforms is to further strengthen our economy, while removing its self-evident weaknesses, so that poverty and unemployment can be removed at a faster pace. As is well known, these reforms have been pursued by all Governments at the Centre, and most State Governments, since 1991. Nearly all political parties in the country have been a part of these governments. Thus, a strong basis for a national consensus on the agenda of reforms already exists. We must further strengthen this agenda by depoliticising it.

We need to broaden and further accelerate the economic reforms, so that our economy becomes sufficiently productive to meet the growing demands of our growing population. But there is also an added urgency to this task. We are living in a world of globalisation, created by the information and communication revolution, global trade and greater inter-dependence among nations. Today there is far greater open competition among the economies of nations around the world than was conceivable even a few decades ago. For example, when I heard the grievances of coconut and areca nut growers in Kerala in the past few days — and these are genuine grievances — I could clearly see the forces of globalisation at work behind these seemingly local problems.

Neither Indian industry nor agriculture can ignore the new competitive global environment in which they are called upon to operate. Our industry has to improve its manufacturing and management practices; our agriculture should be freed from many infrastructural, investment and other con-

straints that have prevented it from growing to its full potential; we have to minimise the costs and maximise the

quality of our products and we have to be better at marketing internationally.

Need for partnership

We have to urgently improve our urban and rural infrastructure. The National Highway Project and the Rural Roads Project are two of the several important initiatives our government has taken in this direction. We have to create a better partnership between the Government and the private sector. The private sector, whose scope in the nation's development is steadily increasing, must learn to work for public good rather than for narrow private gain. We must make all sectors of our economy more knowledge-intensive, beginning with a rapid introduction of Information Technology. We should bring greater efficiencies in our financial sector, so that the cost of capital in India comes down, especially for small-scale industries and businesses. We need to reduce the size of the Government, so that more resources can be channelled for people's welfare and development. We must also reform our labour laws and make them more conducive to faster economic growth and greater employment generation. Some of these are difficult measures, but we cannot shirk away from any of these imperatives.

Our Government will, of course, take necessary measures to protect the national interests against unfair trade and investment practices from outside. But it is high time all sections of our industry, agriculture and services sector realised that, increasingly, these issues are being governed by a multilateral framework, to which India is a signatory. This global framework has created challenges, opportunities and also obligations. This new reality cannot be wished away by any party or government. It is our collective responsibility to devise a national strategy that effectively counters the challenges and seizes the opportunities of globalisation. This is too important an issue for India's future economic development to be politicised for narrow, short-term gains.

Dear countrymen, I see immense opportunities for India's all-round progress in the new century. I am also full of hope that our people will seize these opportunities. My hopes are especially pinned on our youth, who today constitute nearly two-thirds of our population. Indeed, India has the highest number of young people in the world today. We are inheritors of an ancient civilisation which is also forever young. Guided by the light of the eternal and universal values of our civilisation, inspired by a modernising vision of national development, and powered by the youthful energy of one billion children of Bharat Mata, we can certainly make the 21st century India's century.

This is the hope and this is the New Year resolve that I wish to convey to all of you from Kumarakom.

Vajpayee to visit Japan in February

TOKYO, JAN 3. The Prime Minister, Mr. Atal Behari Vajpayee, will visit Japan in the middle of February for a second meeting with his Japanese counterpart, Mr. Yoshiro Mori, in six months, media reports here said today.

The Foreign Office sources said the exact dates and other details of the visit would be disclosed in a formal announcement later. Right now an exhaustive agenda for the India-Japan second summit is being discussed.

The two leaders will be meeting for the second time since they met in New Delhi in August last year and decided to meet again in six months underlining the importance of what Mr. Mori said the emergence of a new partnership between Tokyo and New Delhi in the world directed against none.

This partnership has already acquired two new dimensions: an ongoing security dialogue and an information technology collaboration in recognition of India's software superiority. — PTI

New adviser to Sinha

By Our Special Correspondent

NEW DELHI, JAN. 3. The Appointments Committee of the Cabinet has approved the appointment of Dr. Rakesh Mohan, currently Vice-Chairman, Infrastructure Development Finance Corporation, as Adviser to the Finance Minister, in the pay of Secretary to Government with immediate effect until further orders and in any case not exceeding 22 months.

By K.K. Katyal

NEW DELHI, JAN. 3. Normally, the country's Prime Ministers do not write articles for newspapers. It is, therefore, natural, that the two-part "My Musings From Kumarakom", penned by Mr. Atal Behari Vajpayee (or at his instance, by his speech writer), published in the last two days, should have evoked wide interest. The formulations, contained therein, were scrutinised minutely and there was intense speculation as regards the purpose. Was it a genuine re-projection of reasonableness? Or a case of re-masking? One point was clear to many — of the two issues, dealt with in the first part, his views on Ayodhya were meant, apart from the wider audiences, for the hawks of the BJP and others of the Sangh Parivar.

On the one hand, Mr. Vajpayee was keen to restore and reassert his image of moderation, which had been dented because of his recent comments on temple construction and, on the other, he sought to caution various sections of the parivar against any adventurist action on this issue. Though implied, the second was an important consideration.

As regards Kashmir, the message was directed at Pakistan. Islamabad, it is hoped, will not miss the departures (for the better for its standpoint) from the earlier stand, especially the readiness to talk at any level, including the highest level. This should take care of the grievance of the Chief Executive, General Pervez Musharraf, that India had avoided resuming the dialogue, because of its reluctance to deal with him and to accord legitimacy to his regime.

"Vajpayee's musings" — this expression will now be added to the political vocabulary, as had been the case with the "stray thoughts" of a former Prime Minister, Indira Gandhi. Conceived and formulated in totally different contexts, both were prompted by inner party compulsions of the rulers of the day. This thread of commonality is not difficult to discern, despite the divergence in the character of the documents. Content-wise, there is no relation between the two.

The 1969 document listed the specifics of a

A tale of two articles

new radical agenda outlined by the then Prime Minister, as she clashed, openly and bitterly, with those controlling the Congress organisation over the choice of the party's nominees for the post of the country's President. Her purpose was to give an ideological slant to a personal or factional fight.

In the present case, the clash, between the thinking of the Prime Minister and the Sangh Parivar was not open nor bitter, but there was no mistaking the sharpness of divergence. In both the cases, the Prime Ministers, hailing from the North, had to travel down South — Indira Gandhi to Bangalore and Mr. Vajpayee to Kumarakom — to unburden themselves.

On the temple issue, Mr. Vajpayee complained that the past tense in his controversial observation — that the movement for construction of a Ram temple at Ayodhya was an expression of the national sentiment — was overlooked and his stand misrepresented.

Whether this sophistry of the tense-related argument carries conviction is not certain but what is significant is the fact of his offering an explanation of the alleged misunderstanding.

Mr. Vajpayee, it was widely believed, had either been pressurised into making his earlier comments on the temple or felt the need to placate the hardliners. The jubilation in the parivar camp then suggested that they interpreted his views as an endorsement of their position — favouring construction of the temple at the disputed site, irrespective of the judicial verdict (the issue was before a court now). They may have planned to invoke his authority while announcing the construction programme at the Kumbh mela later this month.

The line taken in the "musings" is unlikely to be to their liking. Their response — both in words and deeds — will need to be watched closely. In their first comments, articulated privately, they make no secret of their unhappiness.

How the relationship between the Prime Minister and parivar hardliners evolves will have a close bearing on the state of the BJP, the biggest constituent of the ruling alliance. Of late, the party's functioning acquired a peculiar complex.

To cite one case, Mr. Vajpayee's knee operation was enough to trigger the succession talk in the BJP camp. Will the parivar be happy with Mr. Vajpayee's assertion that "the government will accept, and is constitutionally bound to implement the judiciary's verdict, whatever it might be".

Or his disclaimer that he had ever stated that the temple should be built at the disputed site without either a judicial verdict? To the BJP's allies, however, Mr. Vajpayee's words are certain to be music.

On Kashmir, there were two or three significant points which could help give a push to the present peace process, in particular, facilitate the resumption of the stalled dialogue between India and Pakistan and, even break the deadlock on the holding of the SAARC summit.

One, the general observation, that "we shall not traverse solely on the beaten track of the past. Rather, we shall be bold and innovative designers of a future architecture of peace and prosperity for the entire South Asian region".

The sentiment is, no doubt commendable, even though the specific line of action is not indicated.

Islamabad will do well to make a special note of Mr. Vajpayee's preparedness "to recommence talks with Pakistan at any level, including the highest level". General Musharraf could feel reassured that the reluctance to talk to him or to accord legitimacy to this regime, is a thing of the past.

He had been very sensitive on that score and did not make secret of his humiliation. The precondition for the talks, too, is diluted. In the past, New Delhi linked resumption to the "end of trans-border terrorism to create a conducive atmosphere".

The new formulation has a flexibility — it requires Islamabad to give "sufficient proof of its preparedness to create a conducive atmosphere for a meaningful dialogue". One gets the feeling that there is a method behind the moves by the two side though there is no evidence of a strategy. Even in this non-specific form, it needs to be encouraged.

THE HINDU

4 JAN 2007

PM scramble to repair Ayodhya damage

FROM OUR SPECIAL CORRESPONDENT

New Delhi, Jan. 1: Claiming that his recent comments on Ayodhya had been misunderstood, Prime Minister Atal Bihari Vajpayee today warned against disturbing the status quo.

In doing so, the Prime Minister set a precedent by deciding to make this statement of public import through an "article" given to handpicked newspapers. Never before has a Prime Minister chosen to talk to the people of this country selectively.

Excerpts from his article — *My musings from Kumarakom-I* — released to news agencies quoted Vajpayee as saying: "I wish to make it absolutely clear that the law will take its own course should any organisation attempt to

disturb the status quo. The government will not remain a silent spectator and adopt delaying tactics, as happened eight years ago."

The statement goes beyond simply cautioning outfits like the Vishwa Hindu Parishad and commits the government to an active role in upholding the law while taking a sideswipe at the Narasimha Rao government during whose tenure the Babri demolition took place.

It also appears to stand in stark contrast to what he had said early last month while defending L.K. Advani, Murlidhar Joshi and Uma Bharti, facing charges in the demolition case.

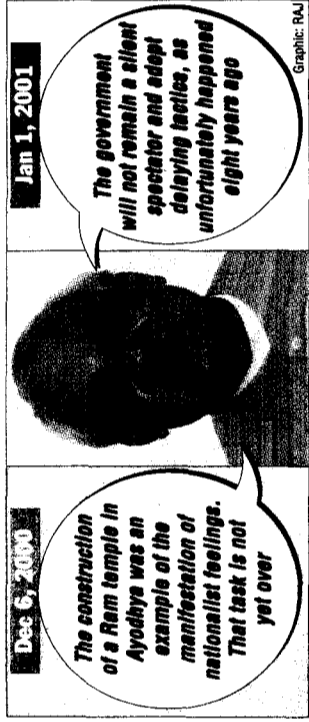
Vajpayee seemed keen to repair the damage to his image as a moderate after he said that the Ram temple movement was an expression of nationalist feelings. That task is not yet over."

After the Opposition and some of the allies raised a hue and cry, Vajpayee told Parliament that the dispute was best left to the courts to decide. Today's "article" goes quite a distance down that road of moderation.

Vajpayee insisted that the "wrongs of a medieval past cannot be righted by a similar wrong in modern times".

What is baffling is the restrictive method of spreading this message. No reason — other than that it was after all an article and not a statement — was cited for the decision to release it through certain newspapers, chosen arbitrarily. Prime Ministers are known to address the people through public pronouncements and not by penning articles exclusively for the eyes of a few.

"It is very unfortunate, un-called for and discriminatory."



December 6, 1992."

The question he does not answer is why he added: "That task is not yet over." This read like an open invitation to the VHP to go and build the temple.

The Prime Minister said: "The status quo at Kashi, Mathura and other disputed places of worship must remain undisturbed. Far from indicating Hindu society's weakness, this will show the strength of our national ethos of tolerance."

As he had done in the recent past, Vajpayee emphasised the need to resolve the Ayodhya dispute as early as possible and in one of two ways: through court verdict or a negotiated settlement.

He said: "It is a challenge to the collective wisdom of our society that we find a peaceful and amicable solution to this problem, sooner rather than later."

The Prime Minister said he felt saddened that "my comments were twisted and turned for no other reason but to gain political advantage".

He added: "I must confess that I am pained by some of the comments, observations and speculations in the aftermath of the recent developments in Parliament. My political adversaries are entitled to disagree with me, but they will not be able to see any inconsistency in my views on the Ayodhya issue, all of which are well recorded."

He deplored the fact that "overnight" he was transformed from a "moderate" into a "hardliner".

"Vajpayee unmasked, they said, conveniently masking the fact that my long stint in public life is an open book. Worse still, a campaign was launched to create misgivings about me in the minds of our minority brethren."

statement. In my reply to the debate in the Rajya Sabha, I had clearly stated that although the movement for the construction of a Ram temple at Ayodhya was an expression of our national sentiment, this sentiment became narrow, and its inclusive character became restrictive, because of the unfortunate demolition of the disputed mosque structure on

Congress leader Prithviraj Chauhan said. It was without precedence, he added.

In the "article" — it seems there will be at least one sequel — Vajpayee made an attempt to explain the context of his statement that the temple movement was an expression of nationalist feelings.

"What is overlooked is the past tense I had consciously used in my

THE TELEGRAPH

2 JAN 2001

Time to resolve problems of the past

By Atal Behari Vajpayee

As we bid goodbye to 2000 and usher in 2001, I send my hearty New Year greetings to all my fellow countrymen, as also to the large diaspora of Indians abroad.

The beginning of a New Year is always a time to look back and to look ahead. A year is but a speck in the life of an ancient nation like India, which is ever youthful in spite of her great antiquity. However, unlike our nation, all of us have a limited life. Each new generation, therefore, has to give a worthy account of itself in its own lifetime, aware that its contribution to India's progress will be judged essentially on two counts: one, how many 'legacy problems' inherited from the past has it resolved? Two, how strong a foundation has it laid for the future development of the nation?

My mind probes these questions as my eyes feast on the verdant environs of Kumarakom resort on the banks of the sea-sized Vembanad Lake in Kerala. I have come here for my year-end holiday, far away from the national capital. Nature's silent beauty provides a perfect setting here for contemplation. And I wish to share some of my thoughts with my countrymen with this article.

Our country is facing many problems that are a legacy of our history. I wish to share my views on two of them. One is the long-standing problem with Pakistan over Jammu and Kashmir and the other is the Ram Janmabhoomi-Babri Masjid dispute at Ayodhya.

A self-confident and resilient nation does not postpone the inconvenient issues of yesterday to a distant tomorrow. Rather, it strives to decisively overcome the problems of the past so that it can pursue its developmental agenda for the future with single-minded determination. I have heard many of my countrymen tell me that, now that we have entered a new century and a new millennium, it is time we found lasting solutions to these two problems, one of which is a legacy of the last century and the other a legacy of the last millennium. I agree with them.

The Kashmir problem is an unfortunate inheritance from the tragic

we shall be bold and innovative designers of a future architecture of peace and prosperity for the entire South Asian region. In this search, the sole light that will guide us is our commitment to peace, justice and the vital interests of the nation.

The Ayodhya issue is another problem from the past that we should not allow to remain unresolved too far into the future. It is a challenge to the collective wisdom of our society that we find a peaceful and amicable solution to this problem, sooner rather than later. I had consciously not commented on this issue for the past three years. However, I am sad to note that when I was constrained to speak on the subject after the Opposition stalled the proceedings of Parliament for three days in a row, my comments were twisted and turned for no other reason but to gain political advantage.

Overnight I was transformed by a section of the media and the political class from a "moderate" to a "hard-liner". "Vajpayee Unmasked," they said, conveniently masking the fact that my long stint in public life is an open book. Worse still, a campaign was launched to create misgivings about me in the minds of the minority brethren.

I had hoped — and I am sure that most of our countrymen too had hoped — that my comprehensive replies to the debate, first in the Lok Sabha and then in the Rajya Sabha would put an end to the controversy. Alas, that has not been the case. I must confess that I am pained by some of the comments, observations and speculation in the aftermath of the recent developments in Parliament. My political adversaries are entitled to disagree with me, but they will not be able to see any inconsistency in my views on the Ayodhya issue, all of which are well recorded.

I have always held that there are only two ways to resolve this contentious issue: the judicial route or the route of negotiations leading to a mutually acceptable solution. I have stated that the Government will accept, and is Constitutionally bound to implement the

*Rama was valiant, Rama was bold,
Rama yielded deftly his word,
He cared for the poorest of poor,
He was unmatched in love and compassion.*

No wonder, then, that the movement for construction of a Ram temple at Ayodhya struck a supportive chord in more than one political party. Had it not been so, the Government of the late Rajiv Gandhi would not have taken the kind of specific steps it did to facilitate the construction of a Ram temple at Ayodhya. Rajivji even inaugurated the Congress party's 1989 election campaign from the vicinity of Ayodhya with a promise to usher in Ram Rajya, which was also Mahatma Gandhi's dream. There was nothing communal about either Gandhiji's vision or Rajiv Gandhi's initiatives at Ayodhya.

This shows that there was no dispute over a Ram temple at Ayodhya being an expression of the national sentiment, in the same way that reconstruction of a temple at Somnath too was recognised by the then Government as an expression of the national sentiment. (The Government of Pandit Jawaharlal Nehru had set up a committee for the reconstruction of Somnath temple under the chairmanship of K. M. Munshi. Babu Rajendra Prasad, the then President, himself participated in the temple's inaugural function, calling Somnath a "symbol" of India's national culture.)

The only dispute at Ayodhya was over where and how. On this contentious matter, too, my views have been clear and consistent. I never stated that the temple should be built at the disputed site without either a judicial verdict or an amicable agreement between the two communities. This is how it should be in a law-governed country. I wish to make it absolutely clear that the law will take its course, should any organisation attempt to disturb the status quo. The Government will not remain a silent spectator and adopt delaying tactics, as unfortunately happened eight years ago.

In my reply to the debate in the Lok Sabha, I had stated that, in addition to Ram, many

MY MUSINGS FROM KUMARAKOM — I

other personalities and places symbolise our national culture. Be

partition of India in 1947. India never accepted the pernicious two-nation theory that brought about the partition. However, the mindset that created Pakistan continues to operate in that country. This is why it is continuing with its untenable policy on Kashmir, disregarding the considerations of both good-neighbourly relations with India and the wellbeing of the people of Jammu and Kashmir.

India is willing and ready to seek a lasting solution to the Kashmir problem. Towards this end, we are prepared to recommence talks with Pakistan at any level, including the highest level, provided Islamabad gives sufficient proof of its preparedness to create a conducive atmosphere for a meaningful dialogue. I am sad to note, however, that the Government of Pakistan is not doing enough to rein in terrorist organisations based on its soil that are continuing their killing spree, targeting both innocent civilians and our security personnel in Kashmir and other parts of India.

The Government is taking well-conceived steps to normalise the situation in Jammu and Kashmir. The unilateral cessation of combat operations against militants in the State, which was observed during the holy month of Ramzan, has been extended till January 26. My heart shares the agony of the grieving mothers, sisters and widows who have lost their near and dear ones in the violence that has bloodied the beautiful Kashmir Valley. I also feel the pain and anguish of those Kashmiris who have become refugees in their own motherland. The New Year is the time to heal their wounds. The Government will soon initiate talks with various representative groups in the State. We are prepared to take further steps to respond to Jammu and Kashmir's deep longing for peace, normality and accelerated development.

In our search for a lasting solution to the Kashmir problem, both in its external and internal dimensions, we shall not traverse solely on the beaten track of the past. Rather,

judiciary's verdict, *whatever it might be*. But this does not foreclose the need for negotiations in a non-governmental and non-political framework. The judicial route and the option of talks do not exclude, but are rather complementary to, one another.

Irrespective of what the judicial verdict might be, its smooth implementation would require a conducive social atmosphere. Resumption of talks between representatives of the two communities, conducted in an atmosphere of trust, goodwill and flexibility, has the potential to create such an atmosphere. The ongoing controversy over implementing the Supreme Court's verdict in the case of relocation of polluting industries out of Delhi has strikingly highlighted the need for a supportive social environment involving all the parties to a dispute.

Few can deny that Ram occupies an exalted place in India's culture. He is one of the most respected symbols of our national ethos. Respect for him transcends sectarian barriers. Many Indians revere him as an avatar of God and some regard him as 'Maryada Purushottam'. Non-Hindus, too, see in him an ideal king and an embodiment of great human qualities. Had it not been so, Poet Allama Iqbal would not have penned the following eulogy to Ram.

*The cup of India has always overflowed
With the heady wine of truth.
Even the philosophers from the West
Are her ardent devotees.
There is something so sublime in her
mysticism.
That her star soars high above
constellations.
There have been thousands of rulers
in this land
But none can compare with Rama;
The discerning ones proclaim him
The spiritual leader of India.
His lamp gave the light of wisdom
Which outshone the radiance
Of the whole of humankind.*

it the Dargah of Ajmer Sharif or the shrine of Nizamuddin Aulia in Delhi, the Golden Temple at Amritsar or the Church of St. Francis at Goa — these are all proud symbols our syncretic national culture.

My statement that the movement for construction of a Ram temple in Ayodhya was an expression of the national sentiment has been misrepresented in many ways. What is overlooked is the past tense that I had consciously used in my statement. In my reply to the debate in the Rajya Sabha, I had clearly stated that although the movement for the construction of a Ram temple at Ayodhya was an expression of our national sentiment, this sentiment became narrow, and its inclusive character became restrictive, because of the unfortunate demolition of the disputed mosque structure on December 6, 1992. A flagrant violation of the law, it certainly was. But it was also totally at variance with the Hindu ethos. The wrongs of a medieval past cannot be righted by a similar wrong in modern times.

The status quo at Kashi, Mathura and other disputed places of worship must remain undisturbed. Far from indicating the Hindu society's weakness, this will show the strength of our national ethos of tolerance and religious harmony.

Deeply saddening though that December Sunday was, we cannot forever remain shackled to the debate on demolitions, either of the distant or the recent past. India must move on. The best of India resides not in the past. Rather, it belongs to the future that we all must collectively build. Glorious though our past was, a more glorious destiny beckons India. However, its realisation calls for a radical shift from contention to conciliation from discord to concord, and from confrontation to consensus and cooperative action.

How do we make this transition? I would like to share some more of my thoughts with my countrymen in another article tomorrow.

Create right atmosphere, will talk: Vajpayee to Pak

■ PM hopes to break new ground, Hurriyat to select team today

AGENCIES

SRINAGAR, JANUARY 1

THE first day of the new year ushered in more hopes for Kashmir with Prime Minister A B Vajpayee indicating that India could step outside the beaten track of the past to end the turmoil there even as the Hurriyat Conference prepared to discuss its next move in the peace process.

The seven-member executive of the All Party Hurriyat Conference (APHC) would meet here tomorrow to select the team to visit Pakistan on January 15 for talks with leaders of various militant outfits and the military government.

A spokesman of the APHC told UNI that the executive would also review the overall political situation and the separatist alliance's day-to-day functioning.

All the seven members including chairman Prof Abdul Gani Bhat, Syed Ali Shah Geelani, Abdul Gani Lone, Mohammad Yasin Malik, Moulvi Abbas Ansari, Moulvi Omar Farooq and Sheikh Abdul Aziz were expected to participate in the meeting.

In Delhi Prime Minister Atal Bihari Vajpayee expressed readiness to take bold and innovative steps for seeking a lasting solution to the Kashmir problem.

Vajpayee said he was prepared to re-commence talks with Pakistan at the highest level provided Islamabad gave enough proof to create a conducive atmosphere for a meaningful dialogue.

"In our search for a lasting solution to the Kashmir problem, both in its external and internal dimensions, we shall not traverse solely on the beaten track of the past. Rather, we shall be bold and innovative designers of a future architecture of peace and prosperity for the entire South asian region", he said.

Meanwhile, anti-India militant groups met in Muzaffarabad today to discuss the peace moves in Kashmir.

Sources in the Hizbul Mujahideen, the front-ranking militant outfit told DPA in Islamabad that the meeting was held to agree on the position they would take in talks with the aphc team.

"In our search for a lasting solution to the Kashmir

problem...we shall be bold and innovative designers of a future architecture of peace and prosperity for the entire South asian region", Vajpayee said in the first of a two-part article written for newspapers.

Expressing his government's resolve to normalise the situation in Jammu and Kashmir, the Prime Minister said India was ready to re-commence talks with Pakistan at any level, including the highest level, provided Islamabad creates a conducive atmosphere for meaningful dialogue.

He lamented that Pakistan was not doing enough to rein in terrorist organisations operating from its soil who are indulging in killing sprees in India.

Vajpayee said the government would soon initiate talks with various representative groups in Kashmir and take further steps to respond to Jammu and Kashmir's deep longing for peace, normalcy and accelerated development.

He said in search of peace in Kashmir, the government will be guided by its national interests and commitment to Justice.

While describing the Kashmir

CONTINUED ON PAGE 2

INDIAN EXPRESS

2 JAN 2001

Centre distances itself from Malkani's remarks on Nepal

The Times of India News Service, New Delhi, 30 Dec 2001

NEW DELHI: The government issued a strong statement on Sunday distancing itself from certain remarks made by BJP national executive member K.R. Malkani that India should have annexed Nepal in the 1950s. The BJP has also issued a similar clarification in this regard.

The government and the BJP have found themselves in a tight spot due to the astonishing stand taken by Mr Malkani in an interview given to a Web publication on Friday.

In an attempt at some fierce firefighting to soothe the bubbling

Nepal issue, the ministry of external affairs (MEA) said Mr Malkani's remarks did not reflect the government's views and that India had the fullest respect for Nepal's sovereignty and national aspirations. "It is important that we avoid any misunderstanding and work to strengthen the traditional ties of goodwill and friendship between the two countries," said a MEA spokesman. The BJP spokesman also issued a statement clarifying on and decrying Mr Malkani's remarks.

In the interview, Mr Malkani, the editor-in-chief of BJP mouthpiece *BJP Today* and a former vice-president of the party, reportedly claimed that former Nepal ruler

King Tribhuvan had offered in the mid-50s to accede to India and that the then Indian prime minister, Jawaharlal Nehru, had declined the offer fearing adverse international reaction. Mr Malkani said Nehru's decision was foolish and that India should have accepted Tribhuvan's offer.

BJP's vice-president and spokesman Jana Krishnamurthy issued a statement on behalf of party president Bangaru Laxman distancing the party from Mr Malkani's statement.

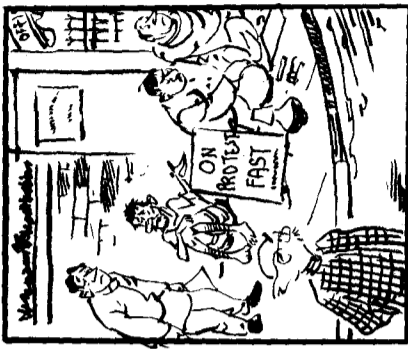
Mr Krishnamurthy said, "The BJP is committed to strengthening traditional ties of goodwill and friendship between India and Nepal. We fully respect Nepal's sovereignty

and cultural identity. The people of India and Nepal should remain vigilant and ensure that nothing is allowed to spoil the cordial relations between the two countries."

Close on the heels of the unwarranted Hritik Roshan controversy and the anti-India sentiments triggered off in the Himalayan kingdom as a result, Mr Malkani's remarks has threatened to put bilateral ties under further strain.

According to latest reports, Mr Malkani withdrew his controversial remarks on on Sunday night. "What I have stated is my personal opinion but I withdraw my remarks if they have hurt my good friends in Nepal," he said, adding that he was 'extremely sorry'.

YOUR GATEWAY TO INDIA
YOU SAID IT by Laxman



No, I'm not fasting, I'm starving.
He is fasting.

THE TIMES OF INDIA

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MADRAS

1 JAN 2001

Malkani's views are his own: Govt, BJP

IN A prompt move, the Ministry of External Affairs on Sunday averted a major diplomatic disaster by distancing from BJP leader K R Malkani's remarks on Nepal.

In an interview to *india-today.com*, Malkani had said that Pandit Nehru should have accepted that country's (Nepal's) accession to India "when it was offered to us by King Tribhuvan" in the mid-50s. The senior BJP leader's remarks couldn't have been more ill-timed.

He chose to make the observations when New Delhi and Kathmandu were in the middle of clearing the mess caused by street violence in Nepal over filmstar Hrithik Roshan's alleged remarks.

Flooded by queries from various quarters in New Delhi and Kathmandu on the reported interview, the MEA launched a quick damage-control exercise. In a rare weekend briefing, its spokesman R S. Jassal clarified that the BJP leader's remarks did not reflect the Government's views.

Taking note of the uneasy phase in India's relations with Nepal, he cautioned that nothing should be done to create unnecessary doubts.

Almost in tandem, BJP chief Bangaru Laxman also came out with a strong repudiation of Malkani's comments.

He reaffirmed his party's commitment to Nepal's "sovereignty and cultural identity" while asserting that the "unfortunate" remarks did not reflect the BJP's views in any manner.

"The people of India and Nepal should remain vigilant and ensure that nothing is allowed to come in the way of the close and cordial relations between our two countries," he said.

HTC, New Delh

THE HINDUSTAN TIMES

1 JAN 2007

NK shift signals bigger shake-up

FROM RADHIKA RAMASESHAN

New Delhi, April 27: N.K. Singh's transfer to the Planning Commission, where he was appointed a member today, has marked the beginning of a bigger bureaucratic and ministerial reshuffle, according to government sources.

Singh had retired on January 31 as secretary in the Prime Minister's Office (PMO), but was retained as officer on special duty.

But the veteran bureaucrat, never a favourite of the Sangh parivar, was targeted more furiously by the RSS in the wake of the Tehelka exposé. Sangh sources claimed it was "untenable" for A.B. Vajpayee to continue with Singh once he was linked to the scandal. "By shifting him to the

Planning Commission, Vajpayee has for the time being managed to silence his critics in the Sangh," BJP sources said.

Sources in the parivar are now speculating when the axe would fall on the Sangh's second *bete noire* in the PMO, Brajesh Mishra.

They say it's "a matter of time" before Mishra — who wears two hats as Vajpayee's principal secretary and national security adviser — is formally relieved of the second post, now that Planning Commission deputy chairman K.C. Pant has been named the Centre's principal negotiator with Kashmiri militant groups.

Government sources said a secretary-level shuffle is expected after Vajpayee's Malaysia trip in mid-May. The much-awaited Cabinet reshuffle — forced by the exit of the Trinamul Congress and the

PMK — would also take place around the same time, they said.

If Singh's exit from the PMO is seen as a "please Sangh" gesture, the Cabinet reshuffle will be aimed at strengthening Vajpayee's hands. The Prime Minister has been under attack not just from the Opposition but the RSS as well after Tehelka.

"This is a time-tested strategy. His predecessors like P.V. Narasimha Rao would routinely reshuffle or expand their council of ministers when they felt their position was a bit shaky," sources said.

BJP sources concede that the NDA's prospects in the five states going to polls are not "too good". The Congress, they said, is on a "stronger wicket" and a victory, even in Assam and Kerala, would give Sonia Gandhi a boost while rendering Vajpayee "vulnerable"

in direct proportion. "He will have to resort to a Cabinet reshuffle at this juncture."

The other post-election consideration is that Trinamul could return to the NDA fold if Mamata Banerjee is trounced in Bengal. Officially, BJP president K. Jana Krishnamurthi has said: "We do not consider Mamata our ally and we are her opponents." But insiders believe "Mamata must be kept politically alive and not allowed to fade away in the Congress' company".

"Even if she loses this election, the fact remains she is the only force fighting the Left. So it is the BJP's duty to keep her alive politically," said a senior office-bearer. The hint was Mamata might be "lured" back into the Cabinet with the railway ministry if power eluded her in Calcutta.

Vajpayee breathes easy

By Harish Khare

NEW DELHI, MARCH 26. The Prime Minister, Mr. Atal Behari Vajpayee, is reported to be in a buoyant mood, especially after the successful rally staged by the NDA yesterday as well as by the show of solidarity at the BJP's national executive over the weekend.

"The PM's morale is high," according to one aide who met Mr. Vajpayee this morning.

The ruling coalition's strategists sense that slowly they are getting an upper hand in the battle of public perceptions in the wake of the Tehelka developments.

They have in particular noted, with satisfaction, that the Leader of the Opposition, Ms. Sonia Gandhi, has decided to take off for Hong Kong for three days, presumably to keep a prior appointment with the Indian community.

Ms. Gandhi's departure from the "battle scene" has given heart to the NDA camp. Ms. Gandhi's decision is seen as incongruous with a party that only a few days ago threatened to "wage every battle" against the Government.

The calculation is that the Congress would find it difficult to sustain the "street show", now that the parliamentary arena is not available to the Opposition, at least during the

current session's recess period which lasts till April 15.

The Prime Minister's people are rather satisfied that the ever difficult Sangh Parivar factions have been made to see reason.

Various Parivar voices have spoken out in support of the Prime Minister, though there is the realisation that some more fire-fighting against the Jhandewalan crowd would be required.

More than the hint of support from the RSS or the VHP, or even the Shiv Sena quarters, the unity of purpose exhibited at the BJP national executive has lifted Mr. Vajpayee's spirits.

Mr. Jana Krishnamurthi's anointment as full-time party president suits Mr. Vajpayee well.

Moreover, the party endorsed the Government's economic policies. There was a closing of ranks at the BJP conclave, perhaps backed by a belated realisation that if the NDA was to stay put and stay together, then the BJP must be united.

The Tehelka-induced scandal had revived the talk of the 'Advani camp' ready to take advantage of the unfavorable spotlight on the PMO.

In some quarters, the Union Home Minister himself was suspected of not being entirely

unhappy over Mr. Vajpayee's discomfort.

In recent days, the favorite pastime in the capital's political parlours once again was to try to figure out which Cabinet Minister was in which camp.

It has been noted that some of the so-called Advani camp-followers have been making a vigorous defence of the Prime Minister and his aides. This camp-talk, so loud last week, has become muted considerably.

The judgment among the NDA strategists is that Ms. Gandhi has committed herself to an implacably hostile attitude towards the Government; on its part the Government is reported to be prepared to return the compliment, and the CBI action against Mr. Vincent George, Ms. Gandhi's aide, may be just the beginning.

Nonetheless, the Government may find it difficult to pursue any activist agenda, at least till after the Assembly poll in five States.

In particular, there would be problem in clearing the legislative calendar, given the ruling coalition's minority status in the Rajya Sabha. In other words, the Government's crisis may be over, but the crisis of governance may have just begun.

THE HINDU

27 MAR 2001

Govt. must go, says Cong.

By Our Staff Reporter

NEW DELHI, MARCH 25. Seeking the resignation of the "corrupt" Bharatiya Janata Party-led Central Government and the arrest of those involved in the defence deal scam, the Delhi Pradesh Congress Committee (DPCC) organised a rally to observe "Dhikkar Divas" here today.

The rally started from Ajmal Khan Park and passed through Ajmal Khan Road and Pusa Road before terminating at Link Road where effigies of the Prime Minister, Mr. Atal Behari Vajpayee, the former Defence Minister, Mr. George Fernandes, the former BJP president, Mr. Bangaru Laxman, and the former Samata Party president, Ms. Jaya Jaitly, were burnt.

Addressing the gathering, Mr. Kamal Nath, AICC general secretary who organised the rally, said the "corrupt" BJP-led Government had lost all moral right to rule after its involvement in the defence scam as was exposed by tehelka.com. It had lost the confidence of the people and, therefore, had no right to continue in power.

The fact that the Vajpayee Government was continuing in power despite losing the faith of the people, had prompted the Congress to observe "Dhikkar Divas", said Mr. Kamal Nath. The Government would have to go as its promise of providing a clean and efficient administration had proved to be a hollow claim.

The DPCC president, Mr. Subhash Chopra, said Mr. Fernandes'

resignation was an attempt to divert the people's attention. Democracy could be saved only if the Vajpayee Government went, he stated.

Senior AICC leaders including Mr. Moti Lal Vora, Mr. Oscar Fernandes, Mr. Ahmed Patel, Mr. Jannardan Pujari, Mr. R. K. Dhawan, Mr. Jagdish Tytler and Mr. Sajjan Kumar decried the BJP-led Government, and described its continuance in power as a throttling of the democratic set-up.

The rally route was decorated with Congress festoons, banners and flags and the milling crowd shouted anti-government slo-

gans: '*Naitikta se muh na moro, Atal Behari gaddi choro*' (Don't turn your face on honesty, Atal Behari quit your seat) and '*Sonia Gandhi ka ailan, bikne na de Hindustan*' (Sonia Gandhi's cry, don't barter away the country).

Several MLAs, Municipal Councillors, Mahila Congress, Youth Congress, NSUI and Seva Dal workers and district as well as block Congress workers came in vehicles decorated with party flags and banners and bearing anti-Government slogans. A large number of floats depicting Mr. Laxman and Ms. Jaitly accepting bribes were also displayed.



Congress(I) leaders, including Mr. R.K. Dhawan, Mr. Kamal Nath and Mr. Jagdish Tytler, at the party rally in New Delhi on Sunday. — Photo: S. Arneja

THE HINDU

26 MAR 2001

'Tehelka tapes have exposed shortcomings'

Vajpayee wants system overhaul

STATESMAN NEWS SERVICE

NEW DELHI, March 25. — The Prime Minister today said the Tehelka expose has brought to the fore "shortcomings in the system" which needed to be rectified by evolving a suitable mechanism.

"There is need for introspection. A suitable mechanism should be evolved to ensure that such incidents don't recur," Mr Atal Behari Vajpayee told reporters after the two-day BJP national executive meeting ended.

Mr Vajpayee, who delivered the valedictory address, said as the elections were becoming increasingly expensive, there was a need for electoral reforms to make the process of funding parties "transparent". While an individual's spending on elections is monitored, there is no provision for checking the parties' expenditure.

The BJP, he said, has *aajivan sahyog nidhi* to collect funds from the public. The scheme aims at reducing the dependence on big money. The party's policy, he claimed, was to collect small amounts from its large num-

59-1 26/3

'Trinamul tie-up unclear'

NEW DELHI, March 25. — The Prime Minister today said the chances of a BJP-Trinamul alliance in West Bengal seemed "unclear". "*Uske sambhavna to bahut dhulmil hai* (its chances are not clear)," Mr Atal Behari Vajpayee said after the BJP's national executive meeting. Party sources said the executive was in favour of one-to-one fight against the Left Front, if possible. — PTI

■ More reports, photograph on page 8

ber of supporters and sympathisers.

At the national executive, there was a shift in the BJP's stance towards the media. Unlike previous occasions, when senior leaders, including the Prime Minister, said there was something fishy in the Tehelka tapes, Mr Vajpayee today said the media was not to be blamed.

"I don't blame the media;

they have done their job. They've alerted us. There are shortcomings in the system and these need to be rectified.

NDA rally: Addressing a massive rally at the Ramlila Grounds this afternoon, Mr Vajpayee accepted the Congress's challenge for a "war", charging Mrs Sonia Gandhi of working against democratic norms.

"It seems the Congress has lost faith in democracy, after failing to come in power, and so they have come-up with new tactics," the Prime Minister said. "If the Congress calls it a war, we're ready to face it," said the Prime Minister. "We've people's support and the Assembly polls in five states will show where we stand", Mr Vajpayee said. He also blamed the Opposition for stalling a debate in Parliament and preventing the truth from coming out, adding it had not learnt to be a constructive Opposition.

In a massive show of strength almost the entire cabinet, chief ministers of NDA-ruled states and central leaders were present. The "Lalkar Rally" had been called to project the

■ See VAJPAYEE: page 8

THE STATESMAN

26 MAR 2001

26 MAR 2001

PARLIAMENT PASSES FINANCE BILL; STANDARD DEDUCTION UP

More sops for I-T payers

2674

By Our Special Correspondent

NEW DELHI, APRIL 25. The Finance Minister, Mr. Yashwant Sinha, today announced further concessions for income tax payers costing the exchequer Rs. 1,000 crores and addressed some of the industry's concerns over his budget proposals.

Proposing amendments to the Finance Bill, 2001, which was taken up for consideration in the Lok Sabha, the Minister increased the standard deduction for income tax payers from Rs. 25,000 to Rs. 30,000 for those with taxable income up to Rs. 1,50,000 per year.

For persons with income between Rs. 1,50,000 and Rs. 3 lakhs, the deduction limit was raised from Rs. 20,000 to Rs. 25,000, while for those with incomes above Rs. 3 lakhs and up to Rs. 5 lakhs, the limit stays at Rs. 20,000. No standard deduction is available for those with incomes above Rs. 5 lakhs.

The House later approved the Finance Bill along with the official amendments through voice vote. With the passage of the demands for grants of various Ministries on Tuesday, the Lok Sabha has approved the 2001-2002 general budget.

Mr. Sinha's other proposal was



ments was increased from Rs. 2,500 to Rs. 5,000.

Help for exporters

For the exporters, the Minister altered the phaseout period for the income tax exemption they earlier enjoyed. Under the existing provisions, they are required to pay tax on 40 per cent of their income for the current year, the percentage increasing to 60, 80 and 100 per cent for the next three years.

Mr. Sinha has now proposed that for the current year, exporters would be taxed to the extent of 30 per cent of their profits and the percentage of their taxable income would increase to 50 per cent, 70 per cent and 100 per cent, for the next three years.

The Minister also announced some more changes in direct taxes. For one, the due date for filing of returns in respect of non-corporate taxpayers whose accounts have to be statutorily audited would be October 31, in line with other corporates.

The budget had earlier altered the due dates for filing of returns to July 31 for non-corporates and October 31 for corporates.

Funds enjoying exemption under Section 10(23C) would be

placed on a par with charitable institutions claiming exemption under Section 11, in respect of accumulation of their income. These funds, like the charitable institutions, would be allowed to accumulate 25 per cent of their income without any time limit.

Accumulation of income beyond 25 per cent would be restricted to five years. Also, charitable trusts and funds would be required to publish their accounts only if their annual receipts exceeded Rs. 1 crore, as against the limit of Rs. 10 lakhs proposed earlier.

Transfer of assets

To facilitate de-mutualisation and corporatisation of stock exchanges, the transfer of assets in such an arrangement would not be liable for capital gains tax.

Transfer pricing provisions have been modified to clarify that these regulations shall also apply to transactions between the head office and its branch and that adjustment made to the transfer price in case of one enterprise shall not by itself form the basis of a consequential adjustment in the case of the other enterprise.

Changes in indirect taxes: Page 13

THE HINDU

25 APR 2001

BJP told to counter 'negative influences'

Advani & party rally behind Atal

FROM RADHIKA RAMASESHAN

New Delhi, March 24: The BJP today expressed full-blooded solidarity with the Vajpayee government and resolved to resist the Opposition's call for the government's stepdown in the aftermath of the Tehelka tapes scandal.

A political resolution adopted on the opening day of its national executive accused the Opposition of engineering instability. "Some political parties are attempting to create instability in the country by asking a government with a popular mandate and a parliamentary majority to quit," the resolution said. "Their agenda is chaos and the BJP shall prevent the nation from being inflicted with this malady."

More direct and specific, home minister L.K. Advani accused the Congress of plotting a "sinister conspiracy" to destabilise the government through "anti-democratic means". "The true purpose of the campaign of lies and slander against the BJP and the NDA government launched by the Congress party, using the Tehelka tapes as a pretext, is now out in the open," Advani said.

After initial reluctance, the RSS, too, had supported the government.

Advani said the Congress could not reconcile itself to a BJP-led, non-Congress government at the Centre and was "frustrated" at the NDA regime's "success in providing stable and effective governance" which had earned the "goodwill" of the Indian people and enhanced "our country's prestige abroad".

Though Advani focused on the conspiracy theory, he was forced to admit that the episode had



Vajpayee with new BJP chief Jana Krishnamurthi at the party's national executive in New Delhi. Telegraph picture

"served to remind the party to look within and counter the negative influences that have gained ground within the organisation".

Despite the counter-offensive, K. Jana Krishnamurthi — whose appointment as party president was ratified today — left little scope for the rehabilitation of his disgraced predecessor, Bangaru Laxman, in the near future.

"All of us look forward to the day, which may be sooner than later, to see that Shri Bangaru stands vindicated and found as an innocent victim caught in a web of conspiracy," Krishnamurthi said. "I can assure that once he comes out of this *agni pariksha* ... his services are sure to be utilised fully befitting his personality and in the best interests of the party."

The lack of commitment to reinstate Laxman as party president was in sharp contrast with the unequivocal declaration by a galaxy of leaders to rehabilitate George Fernandes.

BJP sources said the leadership was unhappy with Laxman's reported back-room manoeuvres to steer himself back to a position of strength through the Dalit lobby.

Interest rate plea

Krishnamurthi today requested the Centre to review its decision to reduce the interest rate on small savings. Though the move was taken to encourage investment, he said "in a democracy it becomes necessary for the government to carry as large sections of people as possible with it".

■ See Page 6

THE TELEGRAPH

25 MAR 2001

BENGAL VOTES

CHANGE CHARGE

TRASH-THE-OLD TRINAMUL VERSUS NEW LEFT

The only alternative to the Left is a new, improved Left

BUDDHADEB BHATTACHARJEE

His dream

Marrying Marx and market, culture and commerce.

His strength

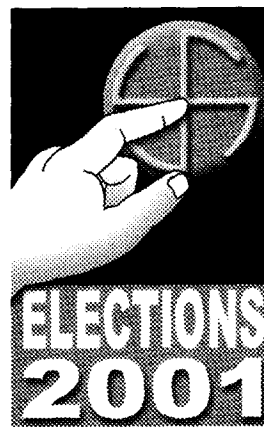
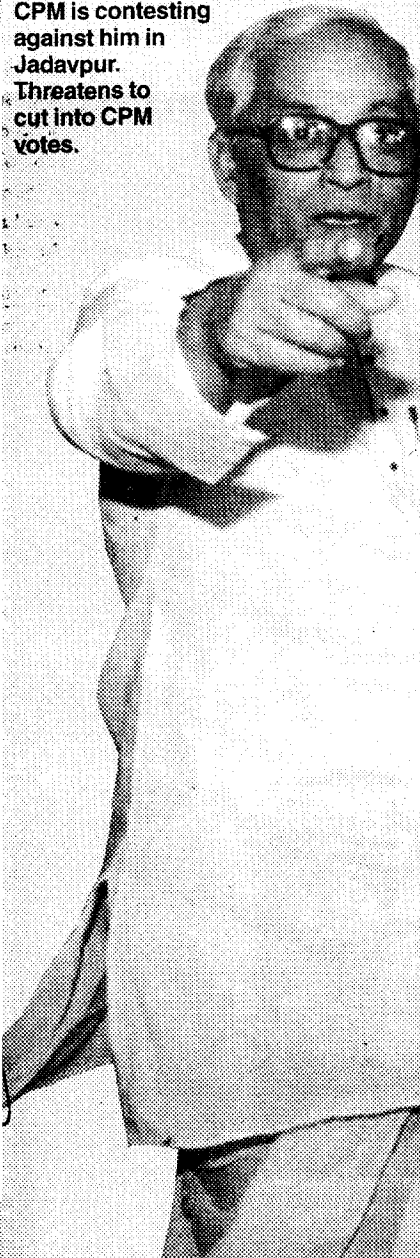
The perception that Bengal is on the up since he took over. Industrialists rank him alongside Madhya Pradesh's Digvijay Singh, Andhra's Chandrababu Naidu and Karnataka's S.M. Krishna.

His strategy

Rests on two planks. First, raise visions of a new, improved Left. 'Bam Front' or 'Bikalpo aro Unnato Bam Front' is his slogan for the polls.

His weakness

Clearly, the anti-incumbency factor. He might be the new face of the Left Front, but 24 years of effectively one-party rule must inevitably provoke a yearning for change.



Two slogans ring aloud through the campaign cacophony. Bodley deen, palley deen is the message from Mamata Banerjee.

Vote for a New Left. Buddhadeb Bhattacharjee pleads, almost apologetic about the luggage of memory.

That really is the big picture — this is a vote for change the way no election in West Bengal has been in the past 24 years.

All poll battles are fought, one might argue, on agenda for change. But that has not happened in West Bengal the same way it did in other states.

The Left's stress on land as the agent of change has outlived its time and value. It is all very fine to proclaim to the world the Left Front's record in rice or fish production or in poverty reduction.

Worse still, the near-collapse of the social infrastructure has caused a ceaseless brain drain from the state.

Hence the New-Left mantra: purge education of the party spirit, inject privatisation blood in a decaying state healthcare system and get the government out of sick enterprise.

But it is Mamata who should have had the mandate overwhelmingly for herself to usher in the change.

The Left Front had the run for a quarter of a century. Nothing new about this New Left, she says, except the pretension. It should be her turn now.

Ever since she floated her party in 1997, she has expanded her political support base cutting

Red Fort Bengal is gone, finished, kaput.

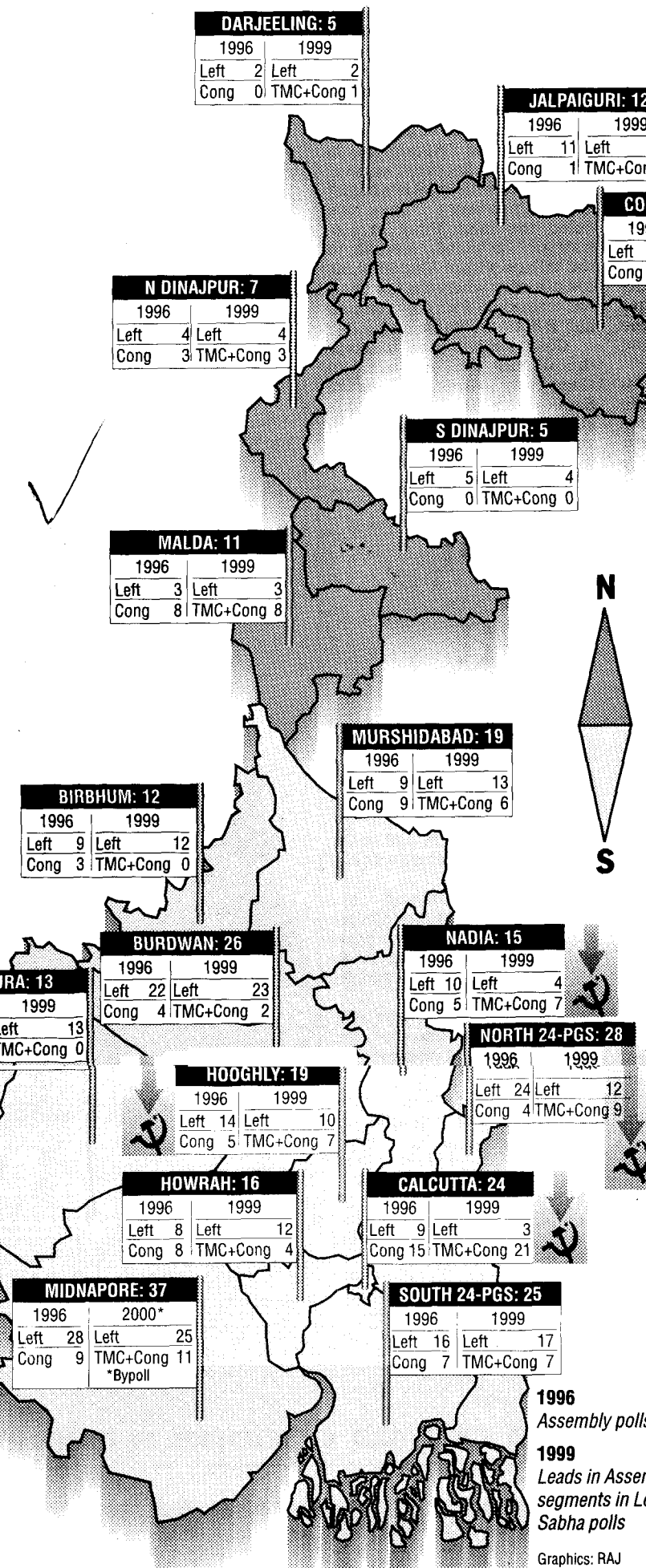
What remains is a castle — with a moat guarding it.

For the first time in a quarter century, the Left Front is going into an Assembly poll in the full knowledge that most of the state's electorate is against it.

There were more votes against the Left than for it in the last two Lok Sabha elections — 1998 and 1999. In 1999, more than half the votes (53.26 per cent) were against the Left.

The fortress once encompassed all 17 districts barring Calcutta. Now it has been hacked and whittled down to nearly a quarter of that — just one large contiguous area of six — Midnapore, Burdwan, Birbhum, Bankura, Purulia and Hooghly.

This — the heartland half-a-dozen — is the source of the Left's sustenance, strength and survival skills.



across social strata. For both subaltern and elite, in town and country, she emerged as the hope. And, she has now changed the equations to claim Bengal for herself.

The Tehelka tapes gave her an opportunity to make a virtue of electoral necessity. By ditching the BJP and aligning with the Congress, she has managed a better poll arithmetic: the Trinamul-Congress vote share is larger than the Trinamul-BJP vote.

The alliance has run aground in A.B.A. Ghani Khan Chowdhury's Malda suzerainty and Adhir Chowdhury's fiefdom at Murshidabad. There are indications that the hastily arranged alliance has not gone down well with large sections of workers of the two parties.

Congressmen have a tradition of fighting among themselves — election or no election. But, more often than not, they will keep those factional fights for another time and close ranks against the Left on polling day.

This is further complicated by the Congress rebels who have left the party and teamed up with Sharad Pawar's Nationalist Congress Party (NCP). They may not make a winning team, but may prove spoilsports for the Trinamul-Congress alliance at some places.

Mamata's one hope could be that the CPM's ranks too are divided as never before. Apart from those who quit the party and joined Saifuddin Chowdhury's Party for Democratic Socialism (PDS), there still are enough malcontents in the party.

Besides, 24 years in power has seen the party's support base gradually erode. If the trend of the decline of the Marxist vote share in the last few elections is to be reflected in this election, it could well be journey's end for the Left.

But two unknown quantities make predictions difficult. One is the BJP. It is uncertain as to how much of the BJP vote share will go to the party's own candidates and how much will be transferred to the Congress-Trinamul alliance. The BJP's is the only truly transferable vote in the state.

There is no doubt that even some diehard saffrons would vote, not for the BJP candidates, but for Mamata in the hope of defeating enemy number one CPM. This is likely to happen more in urban areas than in the villages.

Such the same will happen with the PDS' share of votes. It can cut both ways. Whose votes will it split more — the Left's or the Opposition's?

At Jadavpur, for instance, Samir Putunda can take away votes which otherwise would have gone to Buddhadeb Bhattacharjee. But then votes for Putunda being anti-CPM votes this time, they could have accrued to the share of Trinamul candidate Madhabi Mukherjee as well.

The PDS revolt, however, has neither the depth nor the spread of the Naxalite upsurge. But even as a ginger group, it can dent the Marxist votebank, maybe not in all 130 seats it is contesting, but in about a dozen.

It is and but like these are why elections do not quite sum up to arithmetic. But make no mistake about the churning for change.

Ashis Chakrabarti

Mission castle

Six districts that hold the key to Writers'

Not till Mamata or any other political force drives deep into this core and wrecks it from within can the Left be dislodged from Writers'.

The zone accounts for 118 seats — a little more than 40 per cent of the total seats in the Assembly (294). In the last Assembly poll (1996), the Left won 96 of these, more than 81 per cent. Its leads in the Assembly segments in the 1999 Lok Sabha poll was nearly 80 per cent.

What does this mean? Simple. Had Mamata got her way with the mahafaj, she would have had her way in the rest of Bengal. But put the Trinamul, the BJP and the Congress votes together here in the Red Castle and they still don't stack up.

The Mamata juggernaut, if there is one, might have rolled down from north Bengal, into Murshidabad, Nadia, North 24-Parganas, Calcutta and south Bengal. But it does not cross the Hooghly from the east to the west. North Bengal might fall; the Ben-

gal on the other side of the Hooghly Divide might betray; Calcutta and South 24-Parganas might be Mamata's backyard. But Mamata's ship does not cross the Hooghly moat.

She can try submarines. Mamata has a toe-hold in the region in Hooghly. This is the only one among these districts where the Trinamul plus BJP plus Congress votes had a decisive edge over the Left's in the 1999 Lok Sabha polls.

In Burdwan, Saifuddin Chowdhury's Party for Democratic Socialism might have been Mamata's best bet for the wreck-from-within theory. There are enough tensions within the Left that might have worked to Trinamul's advantage.

Also, Mamata is obviously banking on the belief that a swing across these six districts is inevitable. In the space of just a year, between 1998 and 1999, Trinamul's vote share went up by 5.41 per cent — from 18.69 per cent to 24.10 per cent.

That is why Midnapore is so important.

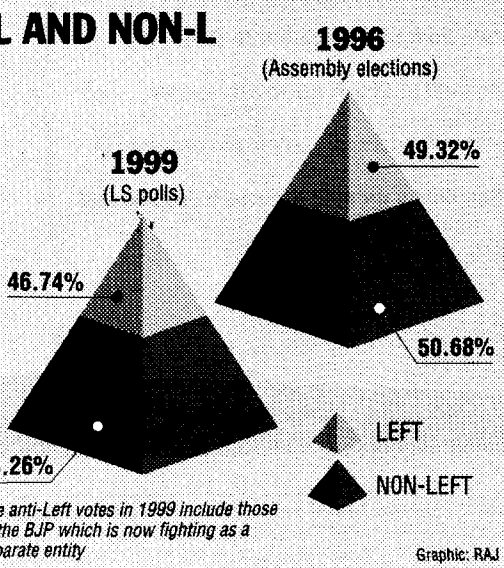
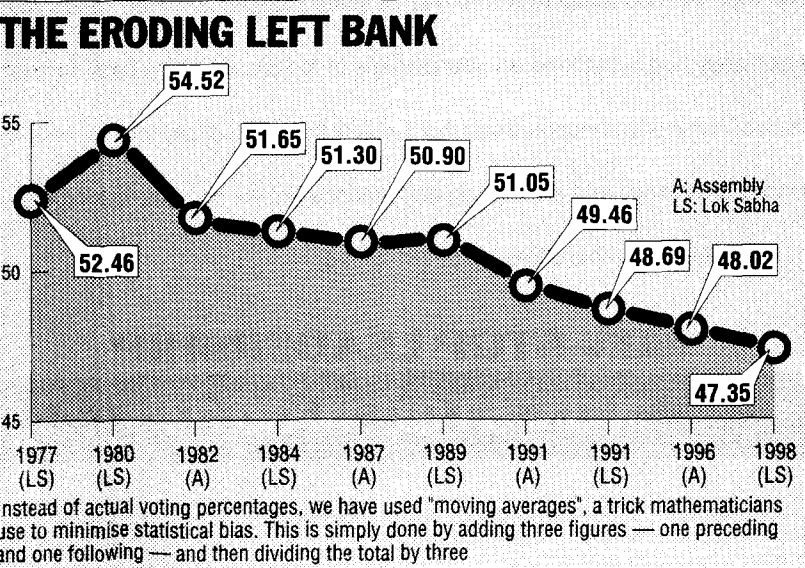
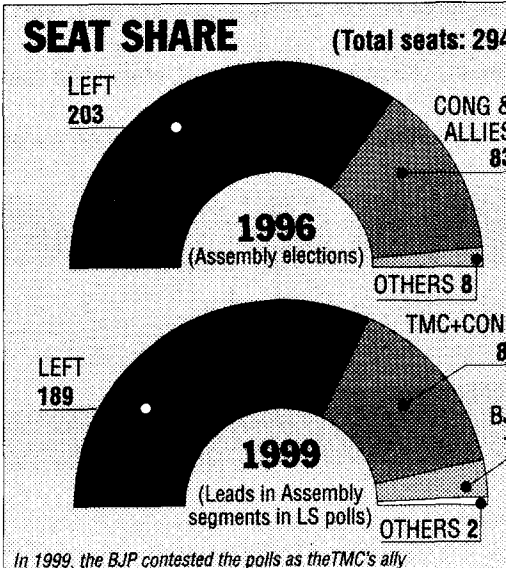
It was Mamata's best bet. No other district has 37 constituencies. In Midnapore, the Opposition votes were neck-and-neck with the Left's in 1999 — tied at 49 per cent. That is why the Panskura Line has to be defeated by the CPM in Panskura itself.

Keshpur was a Mamata submarine that reared its head in the June 2000 by-poll. It had to be forced under. In any battle, it is the palace that is most securely guarded. The CPM is doing just that.

Fine-tuned in election after election — there have been 23 elections in West Bengal in the 24 years of Left rule — the CPM's election machinery is concentrating its energies in the heartland. It will try every trick in the book, and some outside it, to keep its castle.

Sujan Dutta

WHAT THE NUMBERS SAY: LEFT RULES BUT SUPPORT SLIPS



Likely spoiler. Dropped from the Central Committee at the 1996 Chandigarh party congress for advocating a pro-Congress line, and finally expelled, Saifuddin Chowdhury has a score to settle with his former party.

Likely spoiler. It may be sweet revenge for Tapan Sikdar, who is itching to queer Mamata's pitch. But it may not too. The BJP thrived in her company. Without her, the saffron vote share is anybody's guess.

CBI draws a blank on Chhoto Anguria

SV-3
25/4

DEBASHIS KONAR
STATESMAN NEWS SERVICE

KOLKATA, April 24. — The CBI team probing the massacre at Chhoto Anguria, Midnapore, today interrogated Abdur Rehman Mondal.

Mondal is the "prime witness" to the alleged murder of five Trinamul supporters on 4 January.

Two members of the Committee for Protection of Democratic Rights which had filed a PIL, Mr Dayamay Biswas and Mr Radhakanta Mukherjee, met Mr Amit Garg, SP, CBI, yesterday.

Rehman told the CBI officials about the men who had allegedly engineered the 4 January attack. He stated that the bodies of victims were carried away in a car belonging to a local CPI-M leader, Mr Tapan Ghosh.

He said he had hidden behind a bush during the massacre and alleged that police did not arrest the accused named in the FIR.

Mr Garg, who returned from Chhoto Anguria yesterday, is learnt to be unhappy with the "tutored" replies of the villagers, a CBI official said.

The CBI team found that the CPI-M has created a "reign of terror" in the area and that the villagers are too scared to speak out.

Yesterday, CBI officials interrogated the O-C of Garbeta police station, Mr Nikhil Das, for about five hours. But Mr Garg is reportedly unhappy with his replies.

Mr Das repeatedly stated that



CPI-M graffiti on the wall of a dilapidated house in Salboni, Midnapore. Wall writings of other parties are not seen in this area. — The Statesman

he had handed over all relevant papers to CID officials. But when asked what the local police had done before the CID took over the case, he could not answer satisfactorily.

CBI officials said Mr Das could not say why Rehman's house, where the alleged massacre occurred, was not cordoned off after the incident. He couldn't say why raids were not conduc-

ted in the adjoining Saltora forest area immediately after the incident to search for the bodies.

A senior police officer from Midnapore said the FIR named persons who were roaming about freely in the village. "But as the case is with the CID, the local police is not able to arrest them. Moreover, there is political pressure."

Some local people, however,

named the Garbeta local committee secretary, Mr Sukur Ali, Mr Prasanta Ghosh, brother of the minister of state for transport, Mr Sushanta Ghosh, and Dibakar Bhuinya before the CBI team.

The CBI will soon interrogate Mr Tapan Ghosh. His driver, Mr Pradip Ghosh, has been absconding since the CBI probe began.

THE STATESMAN

25 APR 2001

25 APR 2001

CBI team visits Chhoto Anguria

STATESMAN NEWS SERVICE

KOLKATA, April 21. — A CBI team, led by Mr Amit Garg (SP, special crime branch) today visited Chhoto Anguria village, Midnapore, where five Trinamul Congress workers were allegedly killed on 4 January night. The officers interrogated Anisha Bibi, wife of Abdur Rehman Mondal, the "prime witness".

The Trinamul workers were allegedly killed in Mondal's house. Calcutta High Court had ordered a CBI inquiry into the incident.

The 12-member CBI team was reportedly prevented from entering the village yesterday by some CPI-M supporters. The officers had to show their badges to get in.

The team went to the Trinamul Congress relief camp at Garbeta and talked to Anisha. The members also interrogated about 20 people and visited the site of the alleged massacre. A large number of people tried to talk to them.

The CBI has collected all relevant papers from the CID which had earlier probed the incident.

THE STATESMAN

22 APR 2001

JPC: 24/4
(Continued from page 1)

And the government had no difficulty in agreeing to a discussion on JPC in Parliament to avoid confrontation with the Congress to facilitate smooth passage and a discussion on the general Budget which would be put to vote on 25 April.

The Congress, on the other hand, said tonight that Mr Vajpayee in his brief statement at the meeting said the final view on appointment of a JPC to probe Tehelka charges would be taken as and when this issue is raised in the Lok Sabha after the passage of the Finance Bill on Wednesday.

The party spokesman, Mr S Jaipal Reddy, said Mrs Gandhi in the wider national interest agreed to an orderly conduct of Parliament to discuss the Budget.

"This, however, does not in any way mean dilution of the Congress demand in favour of a JPC", the statement added. The Congress would revive its agitation in Parliament once the Budget is passed.

As per the revised business schedule of the Lok Sabha, the House would be allowed to function after the question hour. The discussion on the grants for the Ministry of Rural Development and Disinvestment policy would take place tomorrow. The demands for grants for all other ministries would be guillotined for want of time.

The Budget has to be passed by 25 April as per the provisions of the Constitution which stipulates passing the Finance Bill on or before 58 days of its presentation.

PM-Sonia pact ends House logjam Govt okays JPC discussion

STATESMAN NEWS SERVICE

NEW DELHI, April 23. — Mr Atal Behari Vajpayee, and the leader of the Opposition in the Lok Sabha, Mrs Sonia Gandhi, today reached an agreement by which the Congress would allow discussion on the Budget and its passage by proper voting.

Providing a face saver to the Congress, the government in turn agreed to have a discussion in Parliament for the appointment of a Joint Parliamentary Committee on the Tehelka charges as demanded by the Congress. But Mr Vajpayee did not make any firm commitment to Mrs Gandhi that his government would "appoint" a JPC to probe Tehelka even after the House debates the issue.

The agreement was reached at a brief meeting between Mr Vajpayee and Mrs Gandhi held in the the Lok Sabha Speaker, Mr GMC Balayogi's chamber in Parliament House this evening.

Ending the week-long stalemate in Parliament which was not being allowed to function normally except for the question hour, the Congress which was totally isolated in the House and losing public support for holding Parliament to ransom, retracted from its demand of asking the government to appoint a JPC first and then have a discussion.

Mr Vajpayee, on his part, reportedly told the leader of the Opposition that the government

TEHELKA ON MONEY

NEW DELHI, April 23. — Tehelka today said the money paid to Samata Party in the presence of Mrs Jaya Jaitley, and in the residence of Mr George Fernandes was handed over to Mr Gopal Pachernal, president of the Rajasthan unit of the Samata Party. Asked about the charge, the Samata Party leader and chief spokesman, Dr Sambhu Srivastava, said: "The Justice Venkataswami enquiry Commission has already begun its work. Whatever needs to be done should be done there."
— SNS

had an open mind on the JPC and it was ready for a discussion on the subject something which the government has been maintaining ever since the Congress raised the issue by paralysing Parliament in support of its demand.

The Congress leadership was highly embarrassed and demoralised when Mr Vajpayee wrote a letter to Mrs Gandhi yesterday and released the contents on a selective basis to the press late last night.

Mrs Gandhi was quick to reply to Mr Vajpayee's letter. She said: "As you are the Leader of the House, I earnestly request you to take appropriate initiative to evolve a mutually acceptable solution".

■ See JPC: page 8

Court asks Suu Kyi to submit statement

ASSOCIATED PRESS

YANGON, April 23. — A court today asked opposition leader, Ms Aung San Suu Kyi to submit a written statement in a property dispute with her elder brother over her inherited home.

On the opening day of the case in the Yangon Division Court, Judge Mr Soe Thein accepted credentials of lawyers from both sides and set the next hearing on 2 May. Ms Suu Kyi will have to

since moving here from Britain to look after her ailing mother.

Ms Suu Kyi, who won the Nobel Peace Prize in 1991 for her struggle for democracy, has been confined to that house since September 22. She did not attend the court session today. A previous case filed by her brother for partition of the property was dismissed in January on the grounds that a claimant seeking partition of a property must apply for ownership.

THE STATESMAN

24 APR 1998

Rail budget rides voice & noise

FROM OUR SPECIAL
CORRESPONDENT

New Delhi, April 20: Never before has a railway budget been passed in the way it was done today: by voice vote and without a discussion.

As the Tehelka uproar crippled Parliament proceedings again, Speaker G.M.C. Balayogi had the budget adopted in the Lok Sabha by a louder shout of "ayes".

The budget now moves to the Rajya Sabha and if disruptions continue there it will be considered passed after 14 days. On the other hand, if the disruptions end and the Opposition, which enjoys a majority in the Upper House, defeats the Bill, it returns to the Lok Sabha for approval. The Lower House can then pass the budget again and need not refer it back to the Rajya Sabha at all.

In the past, too, Speakers had been forced to get budgets passed without discussions. But the government and the Opposition had always arrived at an agreement. This is the first time that continuous acrimony between the treasury and Opposition benches have resulted in a budget being pushed through amid pandemonium.

In a last-ditch attempt this morning before the House assembled, Balayogi convened a meeting of parliamentary affairs minister Pramod Mahajan and Madhavrao Scindia, deputy leader of the Congress in the Lok Sabha. But both stuck to their stands with the Congress determined not to cede ground unless the Centre agreed to a Joint Parliamentary Committee probe and the government terming it an impossible demand.

It was all over in 15 minutes. Congress and Rashtriya Janata

Dal MPs rushed to the well of the House screaming "we want JPC". Scindia later said the government should have realised that in a democracy there was always some give and take.

Mahajan retorted, saying: "This is not give and take. This is just take and take. We have a constitutional obligation and had to get the budget passed before April 25."

Before putting the budget to vote, Balayogi read out a brief statement, saying under the circumstances he was ruling out a discussion and "straightaway putting the demands to vote". But he made his unhappiness clear: "This is a very unpleasant day for me," he said.

Sources, however, said the Congress was not entirely against passing the railway budget as it did not want to send any wrong

signal to Trinamul leader Mamata Banerjee, the former railway minister who is now its ally in Bengal. If there is a discussion later in the Rajya Sabha, the Congress, sources said, might not vote against the budget.

Balayogi said he hoped the Tehelka standoff would not disrupt proceedings when the remaining money Bills are taken up. "At least, for the remainder of the scheduled business, the House should return to normalcy," he said. "Obviously, I am very anguished over the way the railway budget had to be passed to meet the constitutional obligation of approving in a specific time frame."

According to the schedule of pending business, the general budget would be put to vote on Monday and Tuesday and finance Bill on Thursday.

...ever backwards to ease star campaigner's backpain

THE TELEGRAPH

21 APR 2001

BLACK DAY FOR DEMOCRACY: CONG.

Rly. budget passed in 15 minutes

By Sandeep Dikshit

NEW DELHI, APRIL 20. Reflective of the political logjam in Parliament, the Lok Sabha today passed the Railway budget without any discussion. The Speaker, Mr. G.M.C. Balayogi, put the demands for grants to vote amidst slogan-shouting. The House took just 15 minutes to pass the Railway budget by a voice vote even as Congress and Rashtriya Janata Dal members stood in the well of the House shouting slogans demanding a probe into the Tehelka scandal by a Joint Parliamentary Committee (JPC).

Ignoring their slogan-shouting, Mr. Balayogi put the demands for grants (Railways) and the relevant appropriation bill (authorising Government withdrawal of Rs. 66,089 crores) to vote. "Since in the prevailing atmosphere it is not possible to either have a discussion on demands for grants or to move cut motions, I am constrained to straightaway put the demand for grants to the vote of the House," observed Mr. Balayogi, before asking the Railway Minister, Mr. Nitish Kumar, to get on with the formalities.

Left parties walk out

While the Congress and the RJD raised the decibel level, some Opposition parties, including the CPI(M) and the CPI, walked out. The atmosphere was charged when the Lok Sabha reassembled in the afternoon having been adjourned just after noon. The Parliamentary Affairs Minister, Mr. Pramod Mahajan, reiterated the ruling party's offer to discuss the issue of a JPC after Parliament had fulfilled its Constitutional obligation of approving the Railway and General budgets. "We will be glad if the Opposition can start the discussion immediately. We can continue with the business of the House till April 25 and

the JPC issue can be discussed afterwards."

The overture was turned down by the Deputy Leader of the Opposition, Mr. Madhavrao Scindia, who called upon the Government to adopt a statesman-like approach instead of closing its mind on a JPC probe. His plea for an assurance on a JPC probe was not met by the Government.

The stalemate between the treasury and Opposition benches prompted the Speaker to appeal to both sides to cooperate in getting the Railway budget approved. Mr. Scindia's protest, that such a course would be inappropriate, was rebuffed with the

An unpleasant day for Speaker: Page 13

Speaker pointing out that he had no option but to push through the Railway budget without any discussion. Later, speaking to reporters, the Congress leader, Ms. Margaret Alva, regretted the manner in which thousands of crores of taxpayers' money would be spent without discussions. "This is a black day for democracy. The BJP and NDA Government will go down in history for passing a crucial business without debate."

The Congress was reasonable in offering to meet the BJP halfway. It had climbed down from insisting on a JPC probe immediately and was only seeking an assurance in this regard. Referring to Mr. Mahajan's offer in the Lok Sabha to consider the issue after four days, Ms. Alva wanted to know why this could not be done now.

Jaitley blames Cong.

The Union Law Minister, Mr. Arun Jaitley, also agreed that the Railway budget was passed in an unbecoming manner but blamed the Congress for precipitating

matters. The Government was left with no option but to hustle the budget through a voice vote. "We are happy that the Congress has been isolated both within and outside Parliament," he observed.

Later, Mr. Vijay Kumar Malhotra, BJP spokesperson, said he was happy that the budget had been passed, but also sad that it was adopted in such circumstances. Of course, he blamed the Congress for the "inappropriate" manner in which it was pushed through. The Government and the Speaker had "no option" but to meet the Constitutional obligation and prevent the Railways from coming to a grinding halt, he said. A three-line whip has already been issued to all BJP MPs to be present and voting on the crucial days April 23 to 25 when the rest of the financial business connected with the budget is to be passed.

The CPI(M) condemned the manner in which an important matter was passed without any discussions. "The Government's stand in the matter will not be acceptable to the people of the country," it said in a statement. The CPI MP, Mr. Bhan Singh Bhaura, voiced similar concerns.

Earlier in the day, the Speaker made a last-minute effort to create a normal atmosphere for the passing of the Railway budget and other important financial business over the next few working days by calling Mr. Mahajan and Mr. Scindia to his chambers and expressing anguish at the state of affairs. However, both stuck to their party positions but promised to get back to him after consulting their leaders. They did later, and though the Congress offered to cooperate provided an assurance was given on a JPC, the Government rejected the gesture and indicated it was not prepared to give an inch.

THE HINDU

21 APR 2001

Tehelka-hit Cabinet okays Lok Pal Bill

Jay Raina
New Delhi, April 17

IN A desperate bid to score brownie points and bury the tehelka videotape controversy, the Union Cabinet okayed the Lok Pal Bill this evening. MPs aside, the Bill also includes the Prime Minister and his ministerial colleagues within its ambit.

The last minute decision to include MPs is aimed apparently at widening the scope of the Lok Pal's writ. But it goes against recommendations of the Joint Parliamentary Committee (JPC) chaired by Congress leader Pranab Mukherjee.

The Committee's recommendations regarding exclusion of MPs from the Lok Pal's jurisdiction was approved later by the Group of Ministers (GoM) headed by Home Minister L.K. Advani.

Top Government sources told the 'Hindustan Times' that

though the Prime Minister had been brought within the Lok Pal's ambit, his decisions concerning national security and related matters would not be subject to the proposed ombudsman's writ.

To insulate the PM, his Council of Ministers and others from 'vexatious and patently mala fide' complaints, the three-member institution of the Lok Pal is understood to have been vested with adequate penal powers. The provision of penal powers includes imprisonment of one to three years and fines worth Rs 50,000.

The Lok Pal institution will comprise a chairman, who may be a sitting or retired Chief Justice of the Supreme Court, or a justice. The two other members will either be sitting or retired judges of the Supreme Court or Chief Justices of the High Courts.



ATAL BIHARI VAJPAYEE

Sources said the Bill was roughly on the lines of an earlier 1996 draft legislation. Though introduced in Parliament, the Bill had lapsed following dissolution of the 12th Lok Sabha.

Significantly, the Pranab Mukherjee Committee, which looked afresh into the dormant Bill in March 1999, was against "subjecting MPs to the discipli-

nary authority of any agency outside the jurisdiction of the two Houses".

The parliamentary panel's recommendation is understood to have been based on the April 17 Supreme Court judgment of 1998, wherein MPs were placed at par with public servants and made liable to trial and punishment under existing anti-corruption laws.

Though divided, the Advani-headed GoM had gone along with the recommendations of the Mukherjee Committee under the premise that tainted MPs could be brought to book by the Ethics Committees of the two Houses.

Even as the Cabinet has reportedly decided to introduce the latest Lok Pal Bill in the ongoing Budget Session, chances of its passage look bleak in the light of the continuing impasse in the two Houses over the tehelka-expose.

Sangh attacks Govt for reform, disinvestment

HT Correspondent
New Delhi, April 16

OCTOGENARIAN RSS leader Dattopant Thengadi today led a Bharatiya Mazdoor Sangh rally to denounce the Vajpayee Government's policy to disinvest public-sector undertakings and speed up reforms when it had promised swadeshi concept of development.

In the sharpest-ever attack by the Sangh Parivar on the subject, he said the Government ended the quantitative restrictions on imports under the WTO when they were to be lifted only by March 2003.

Thengadi, who founded BMS, Bharatiya Kisan Sangh and the Swadeshi Jagran Manch, alleged that the Government had acted in haste to please USA. He described WTO as a club of "fraudulent countries" and urged the Government to float a rival WTO to protect the interests of developing countries.

Thengadi targeted specifically Finance Minister Yashwant Sinha for reintroducing the contract labour system and allowing closure of units employing up to 1,000 men without permission.

Criticising the Balco sale, Thengadi sought action against officials who "botched-up" the agreement to buy power from Enron during the BJP's first stint in power for 13 days in 1996.

Thengadi, who is respected by the RSS hierarchy, was accompanied at the rally by former BJP general secretary K N Govindacharya, who fell out of favour with the BJP leadership, and BMS chief Ramanbhai Shah.

Thengadi said Sinha had forgotten that he attended a meeting of the Swadeshi Jagran Manch in Nagpur before he became Finance Minister to uphold the swadeshi valued and even advocated India quitting WTO.

Urging the Left-affiliated

unions to join hands with the BMS in the war against WTO and World Bank, the veteran Sangh leader flayed the Balco deal and accused the Government of "killing the goose that lay golden eggs."

Describing the Balco sale as a "fraud agreement," he said, "Modern Bread was sold at a throwaway price. Though Disinvestment Minister Arun Shourie himself is honest, he was either under pressure from above or was misguided by bureaucrats."

Thengadi accused Finance Minister Yashwant Sinha of encroaching upon the legitimate jurisdiction of the Labour Ministry by reintroducing the contract labour system and extending the lay-off limit for workers from 100 to 1000.

"Farmers are forced to commit suicide due to cut in subsidy and small scale units are closing down. The so-called nationalists have surrendered before USA's hollow threats. If the Government continues to support MNCs and WTO, we will oppose them and regain our sovereignty," he said.

Thengadi asked, "How much of the much-touted foreign direct investment has come? Have you reached the targeted growth rate?"

He said more number of private sector units were sick than public sector units. Bureaucrats are deliberately mismanaging PSUs to facilitate their sell-off.

He said, "most bureaucrats are purchasable and most have already been purchased. We should not allow such anti-nationals to thrive." Thengadi demanded that PSUs be handed over to workers who would make them run profitably.

Comparing the Government to an elephant gone berserk, he said only the "moral leadership" of mass organisations can put a check on it.

THE HINDUSTAN TIMES

17 APR 2001

'Unafraid' Atal in no-trust challenge

1-6 16/4 JPP-NDA

FROM ANAND SOONDAS

Lucknow, April 15: Prime Minister A.B. Vajpayee today challenged the Opposition to move a no-trust motion against the government if it was not satisfied with the way the country was being run.

Declaring that a trust vote did not scare him as neither he nor his party was power-hungry like the Congress, Vajpayee said: "If the Opposition is so unhappy with the way we are governing, let there be a trial of strength. We are not afraid. They are."

Speaking at an NDA rally on the Laxman Mela grounds, Vajpayee said his government was not daunted by the prospect of a debate on Tehelka either. He "hoped" the Opposition would agree to one instead of holding Parliament to ransom from tomorrow. "Let there be a debate on Tehelka tomorrow. Who is afraid?" he asked.

Saying Parliament cannot be in limbo forever, he said: "You don't want a debate, you don't want to go in for a trial of strength because you know you will be defeated. So what do you want? Only power? The race for power should not be so deadly that the interests of the whole nation lie compromised."

Singling out the Congress for special mention, he said: "They don't believe in inquiries, they don't even believe in courts. What more can we offer? They want to change the government with anarchy and mischief. But in a democracy that cannot happen."

Vajpayee had another go at the Congress as he regretted the failure to pass the Lok Pal Bill. Stating that he favoured bringing the Prime Minister within its purview, he said: "The Congress said no to that also. Unlike them, we take issues of corruption very seriously."

Vajpayee was the star of the show, but it was former defence minister George Fernandes who

came across as a "tragic hero".

Sending a signal to the Opposition on the NDA's "perception of Fernandes and his role in the defence scandal", all the speakers, from Ram Vilas Paswan, Uma Bharti to Loktantrik Congress Party chief Naresh Aggarwal, lionised him by turns.

While Bharti said she had been a fan of George *sahib's* since childhood, human resources development minister M.M. Joshi said: "The difference between the Congress' (Vincent) George and the NDA's George (Fernandes) is the difference between the two parties... one being a mere clerk amassed crores, another being a Union minister lived like a *fakir*."

Aggarwal added: "I want to make it clear to George *sahib* that whatever the Opposition says we will always be with you. No one can take away anything from what you have nobly achieved."

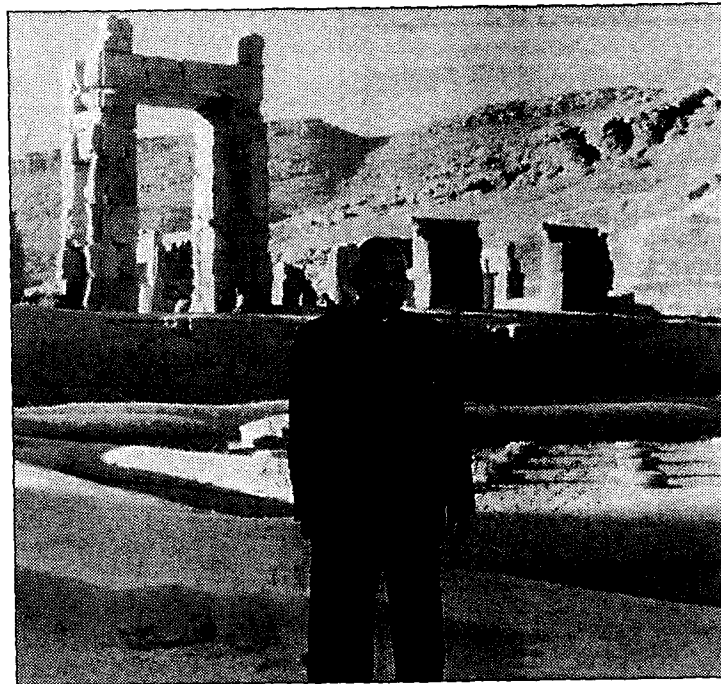
Fernandes sounded more mellow than angry about the controversy. Maintaining the exposé was a conspiracy hatched by the Hindujas who were facing trial in the Bofors case, he said: "The person who filmed it is himself under surveillance for cheating."

Fernandes reiterated Tehelka was a "deceitful" controversy but clarified his "resignation was given keeping in mind the effect the whole controversy had on the defence forces. No one should be mistaken on that account."

But he conceded he had no option but to step down. "I was in great difficulty. I was not allowed to speak in Parliament, neither was I given a chance to justify and defend myself. Resignation was the only way out."

Reserving the last barb for Sonia Gandhi, he said: "It is ridiculous the woman who took 20 years to become a citizen of this country now wants to become its Prime Minister."

NEW FRIENDS OF WEST ASIA IN NEW CLOTHES



(Left) AB Vajpayee at the ruins of Persepolis near Shiraz on the last day of his visit to Iran on Friday. The ancient city was destroyed by Alexander the Great. (Right) Jaswant Singh after receiving the saddles of two horses gifted to him by the crown prince of Saudi Arabia. (PTI)



Jhansi rani goes to see Ramji

FROM OUR CORRESPONDENT

Lucknow, April 15: Jhansi ki rani went home happy with the show.

Baking under a sun which blazed at 40°C, the plump and fair BJP supporter found on the NDA dais non-stop entertainment and something purer than Ganga *jal*.

She puckered up her nose and hid her face in her *pallu* in mock embarrassment when Uma Bharti said: "There are useless people who have the audacity to point a

finger at George Fernandes *ji*. He is more pure than Ganga *jal*. If some day you want to purify yourself with Ganga *jal* and don't find it, you can just utter George *sahib's* name. It will do the trick."

The rani then waved at Bharti. "Aisa bhi kabhi hota hai?" she asked. The 30-something rally faithful had led 1,000 BJP workers, mostly women, from Gorakhpur, where they call her Jhansi ki rani.

She laughed when Vaiko took the dais and started off in Hindi. "Yeh kahan se tapka?" she asked.

The rani was not amused when Ram Vilas Paswan gunned for Loktantrik Congress Party chief Naresh Aggarwal, saying he was "incompetent to be a minister, for that matter even to hold a post".

Playing to the gallery during his speech, Aggarwal, the most powerful ally of the BJP in the heartland, had asked Paswan to lay more telephone lines in the state.

Jhansi ki rani took upon herself the task of saving the alliance's face. "You know, they fight in public. But in private, they really love

each other. Anyway, don't take what Paswan *ji* said seriously. See, even Aggarwal is sitting silent."

Her grimace gave way to a smile when Murli Manohar Joshi compared Fernandes to a saint.

Joshi went a step further to say Vajpayee would establish Ram *raja*. But the rani had the last word: "Vajpayee himself is like Ramji. So much pain he is going through. First, in his knee and now, because of Tehelka, in his heart, too. But he still manages a smile, just like Ramji."

PM turns to Sonia as session begins today

PRESS TRUST OF INDIA
LUCKNOW, APRIL 15

PRIME Minister Atal Bihari Vajpayee today said he would talk to Congress President Sonia Gandhi to help smooth functioning of Parliament, paralysed over Tehelka expose issue, when it resumes its budget session tomorrow.

"I had spoken to Sonia Gandhi while I was in Tehran and would speak to her again and try to persuade her to help run Parliament smoothly", Vajpayee told reporters at Raj Bhawan.

The Congress president, in her capacity of leader of the opposition, can help in ensuring proceedings in the Lok Sabha go smoothly, Vajpayee said.

Recalling his own tenure as the leader of opposition, Vajpayee said he had never allowed continued disruption in proceedings of the House. He expressed confidence that proceedings in parliament session would be smooth when it resumes its sitting tomorrow.

"We will not seek a confidence vote on our own. But if a no-confidence motion was moved by opposition parties, we are prepared to face it," the Prime Minister said.

The Prime Minister expressed concern over stock market crash and a series of share scams and said the government was contemplating "concrete steps", including giving more teeth to market regulator SEBI, to check the malady.

"This is the result of bad management and several other reasons," he said, adding the "government is seized of the matter and taking concrete steps to check the malady." The government had re-

ceived several proposals for giving more teeth to SEBI which are being considered, he said.

On recent scams involving financial institutions, including the Century Consultants in Lucknow, he said effective steps in this direction were being taken to prevent recurrence of such malpractices.

"The government is working on enacting a legislation in this connection and we may bring it in the current session of parliament," the Prime Minister said referring to investors' plight who had been duped by financial institutions.

When a reporter sought to know about the involvement of some RSS functionaries in the Century Consulatnt's scam, he said a CBI inquiry had already been ordered and the guilty would not be spared.

Meanwhile, a day after Congress boycotted the all party meeting called to resolve the impasse in Parliament over Tehelka issue, Prime Minister Atal Bihari Vajpayee today warned that a direct stand-off between his government and the Opposition would unleash anarchy.

"We are prepared to hold a debate (on Tehelka expose) in Parliament which is the best forum to resolve any sort of crisis in a democracy. But the Congress and other opposition parties are not. Their threat of a direct fight with the government will create chaos and anarchy in the country," he said addressing an NDA-sponsored 'Kisan Maha-rally' here.

This would start a wrong trend, he said, adding "if BJP adopts similar tactics in Congress-ruled states where it is the main opposition party, what would Congress do?"

INDIAN EXPRESS

16 APR 2001

CONG. BOYCOTT PROMPTS CLARIFICATION

CBI probe not ordered against Sonia: Vajpayee

By Our Special Correspondent

*9 Parliament
40-1*

NEW DELHI, APRIL 14. The decision by an angry Congress to stay away from an all-party meeting called by the Prime Minister, Mr. Atal Behari Vajpayee, here this evening in a bid to ensure the smooth functioning of Parliament prompted the Prime Minister to declare that "no CBI inquiry had been ordered" against the Congress president, Ms. Sonia Gandhi.

The issue of the CBI being used as a "partisan" instrument to order a "witch-hunt" against Ms. Gandhi on "baseless charges" made by Dr. Subramanian Swamy, Janata Party president, provoked the Congress to announce its boycott of the meeting two hours before it was scheduled to begin.

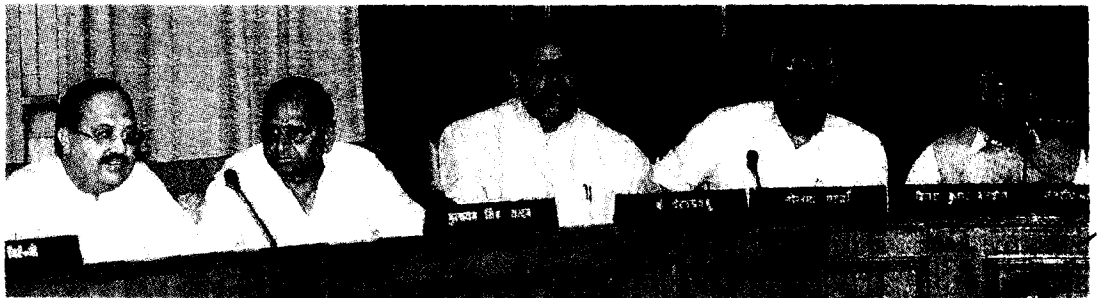
This set off a flurry of activity, with Mr. Vajpayee hurriedly calling a meeting of top BJP leaders and Mr. George Fernandes, National Democratic Alliance convener, an hour ahead of the all-party meeting. It was here that the strategy was discussed to tackle the Congress boycott. Later, Mr. V. K. Malhotra, BJP spokesperson, confirmed that it was decided that the Prime Minister would declare that no CBI inquiry had been ordered against Ms. Gandhi.

The Government's statement was full of contradictions. Mr. O. Rajgopal, who briefed reporters on the all-party meeting, said the Prime Minister had passed on the allegations made by Dr. Swamy to the Ministry of Personnel (which has the CBI under it) in a "routine manner" but "no CBI inquiry had been ordered." He also said "the Prime Minister had no knowledge of it." However, later a Government spokesperson said the Prime Minister did not deny knowledge of it, but the allegations were passed on to the CBI in a "routine manner".

To make matters more complicated, Mr. Malhotra told reporters that "if some allegations were found to be true in the preliminary inquiry by the CBI, then the BJP would want an inquiry to be ordered." The Congress could not use this as a bargaining tool for the smooth conduct of Parliament, he said.



The Communications Minister, Mr. Ram Vilas Paswan, the External Affairs Minister, Mr. Jaswant Singh, the Prime Minister, Mr. Atal Behari Vajpayee, the Home Minister, Mr. L.K. Advani, and the Finance Minister, Mr. Yashwant Sinha at an all-party meeting at Parliament House in New Delhi on Saturday. (Below) Mr. Amar Singh and Mr. Mulayam Singh Yadav (Samajwadi Party), Mr. Yerran Naidu (TDP), Mr. Somnath Chatterjee (CPI) and Mr. Vijay Kumar Malhotra (BJP) at the meeting. — Photos: Shanker Chakravarty



Besides the Congress, the Rashtriya Janata Dal and the Trinamool Congress also stayed away. Earlier, the RJD's Mr. Raghuvansh Prasad Singh had said his party would not attend the meeting as the Govern-

ment had failed to take any concrete action after the Tehelka exposure of corruption in defence deals.

It seems that the other Opposition parties, the Left and the Sa-

majwadi Party, as well as the allies and supporting parties, including the Telugu Desam Party, insisted that corruption as exposed by the Tehelka tapes was an issue that needed to be discussed. The TDP also mentioned the stock market scam, farmers' suicides, and other pressing issues that the Government should not run away from.

An indirect threat?

By Our Special Correspondent

NEW DELHI, APRIL 14. The Prime Minister, Mr. Atal Behari Vajpayee, today said he had not ordered an inquiry against the Congress president, Ms. Sonia Gandhi, "till now" but did not clarify whether he would order one in the days to come. The CBI had not taken even a prima facie cognisance of the letter from the Janata Party president, Dr. Subramanian Swamy, containing allegations against Ms. Gandhi, the Prime Minister said after the all-party meeting.

Interacting with reporters briefly, Mr. Vajpayee said: "jaanch ka to sawal paida hi nahin hota" (the question of a CBI inquiry does not arise at all) and then added, "abhi tak kisi tareh ki jaanch ka faisla nahin hua hai" (no decision has been taken on an inquiry so far).

Dr. Swamy's letter had been forwarded to the CBI but no decision had been taken on an inquiry "till now." Political observers saw in this an indirect threat — the Government could order an inquiry if the Congress failed to cooperate.

The CPI(M) represented by Mr. Somnath Chatterjee, and the SP by Mr. Mulayam Singh Yadav, said the Opposition would raise issues of concern to the people, but also made it clear that the Opposition had never wanted to stall Parliament. They blamed the Government, which treated the resignations that followed the Tehelka scandal as "routine," and did not consult the Opposition on the judicial inquiry for the disruption of Parliament.

The Government said discussions on issues such as the stock market scandal, matters arising out of the World Trade Organisation agreement and farmers' problems could be decided later in consultation with the Speaker of the Lok Sabha and the Rajya Sabha chairman. It was emphasised that only 16 working days were now available in the second part of the budget session and the Railway and general budgets had to be passed. This was a "constitutional obligation".

Meeting on Monday

The Lok Sabha Speaker, Mr. G. M. C. Balayogi, announced that he would be calling a meeting of party leaders on Monday morning, ahead of the start of the session.

No probe into charges against Sonia, says PM

New Delhi, April 14

PRIME MINISTER Atal Bihari Vajpayee today denied that any CBI probe has been launched into Subramaniam Swamy's allegations against Congress president Sonia Gandhi.

At an all-party meeting convened to break the parliament deadlock over the tehelka expose, Vajpayee said: "No inquiry has been ordered."

Earlier in the day, Congress announced its decision to stay away from the meeting. The RJD, AIADMK, Trinamool Congress and Janata Dal too did not turn up at the meeting. The Opposition parties present were: CPI-m, CPI, Samajwadi Party, NCP, RSP, Muslim League, Forward Bloc and BSP. Minister of State for Parliamentary Affairs O Rajagopal quoted Vajpayee as saying that Janata Party leaders Swamy's letter was referred to the personnel department in a "routine manner".

Vajpayee also clarified that there had been a misunderstanding and that the letter was not referred to the department with his knowledge.

"There is a misunderstanding that the letter was forwarded with the knowledge of the Prime Minister. It was not so," Rajagopal said.

Rajagopal said the participants at the meeting were unanimous that the tehelka issue actually highlighted corruption and instead of maligning each other the matter should be discussed seriously.

He said the meeting was conducted in a "cordial and cooperative atmosphere". Participants

also discussed the issue of stock market, WTO and farmers' problems.

Pointing out that only 15 days were left in the second leg of the budget session resuming on Monday, Rajagopal said the participants suggested optimum utilisation of the time for discussing important financial matters pertaining to the general and railway budget and demands for grants of a few important ministries.

Vajpayee sought cooperation from all parties in the smooth conduct of the proceedings in Parliament as important work had to be completed.

He said he had spoken to Opposition leader Sonia Gandhi and hoped that the Congress would take part in the discussion.

NCP leader Sharad Pawar said Vajpayee should have consulted the Opposition earlier and avoided the breakdown of Parliament in the first phase of the budget session. "We've reached this situation because of the careless attitude of the Government," he said. CPI(M) leader Somnath Chatterjee said it was strange that the Prime Minister and his colleagues "went to the people instead of having a debate in the House... They exonerated the Defence Minister. So the inquiry (into tehelka expose) is meaningless".

He said Vajpayee in his opening remarks "did not utter a word on corruption or why the Opposition was not consulted earlier".

On his party's strategy, Chatterjee said: "It is not the first instance of stalling of

Parliament. Vajpayee and his party in the past had been vocal in stalling the proceedings." But he said the Left would continue to demand the NDA Government's resignation.

Abani Roy (RSP) and Ajoy Chakraborty (CPI) echoed his views. Samajwadi Party leader Mulayam Singh Yadav said his party wanted a discussion on corruption to be taken up in the House.

TDP favoured a discussion on tehelka issue but said there were other issues like the share market scenario and WTO-related farmers' issues which they would like to raise.

BJP spokesman VK Malhotra said the Opposition wanted the House to function smoothly even though they were critical of the Government on the issue of tehelka.

It was up to the Opposition to decide under what rule they would like to raise the issue, he said. But he was critical of the Congress's attitude that no inquiry should be ordered against any of their party members.

"The Congress saying there should be no cases against their members is wrong and unacceptable. This kind of blackmail should not be succumbed to," Malhotra told a press conference after the meeting.

Meanwhile, Lok Sabha Speaker GMC Balayogi has convened a meeting of leaders of all political parties in Lok Sabha on Monday, just before the Parliament reconvenes amid the standoff over the tehelka disclosure.

PTI

PM's all-party meet move finds takers

STATESMAN NEWS SERVICE

NEW DELHI, April. 9.- The Prime Minister's proposal to convene an all-party meeting to find a solution to the Tehelka impasse has found a positive response from some Opposition parties.

It was decided today at a meeting of the National Democratic Alliance that Mr Atal Behari Vajpayee would convene an all-party meeting with a view to resolving the impasse in Parliament on the Tehelka expose. Though the date has not been announced yet, it is expected to take place before Parliament reopens on 16 April.

The leader of the Rashtriya Janata Dal parliamentary party, Mr Raghuvansh Prasad Singh, said Mr Vajpayee should have called the meeting much earlier when Parliament was being adjourned on a daily basis before it was adjourned for the three-week recess.

As leader of the House it is his primary responsibility that the House functioned properly and business proceedings were carried through. Though it's a belated move, it's in a positive direction, he said.

The government was earlier criticised for not doing enough, including convening an all-party meeting, to defuse the crisis before Parliament was adjourned for the recess. The parliamentary affairs minister, Mr Pramod Mahajan, had said since the impasse did not arise due to wranglings on parliamentary proceedings, it was pointless to convene an all-party meeting.

Party sources said the government would have suffered a major embarrassment if the Opposition had chosen to boycott a meeting convened by the Prime Minister.

Mr Singh, however, said the Opposition had a right to protest and it is difficult to say how the Opposition parties would have reacted if a meeting was convened. Some parties might have abstained but that would not have minimised the importance of the government's efforts.

Another senior Opposition leader said they would definitely register their protest when Parliament meets. There were some other issues, like phone-tapping, that would be raked to keep the political momentum going till the Assembly elections are held.

He, however, said the Opposition parties would relent and allow the House to function after attempting to score a point over the ruling coalition.

The NDA convenor, Mr George Fernandes, said the ruling coalition this time would make all efforts to ensure that Parliament functioned normally and many issues of concern to the people were discussed. All parties should sit together and discuss the dates on which specific subjects can be debated. A meeting of the NDA will also be held before the resumption of the session.

THE STATESMAN

THE STATESMAN

30 APR 2001

10 APR 2001

The proposed probe into Defencegate is widely being perceived as a counter-sting operation

Remember to forget

BY ANAND K. SAHAY

HT 8
9/4

ATROUBLING aspect of the Tehelka episode is the dissonance between the treatment meted out to the officials — civil as well as military — and the politicians facing humiliation on account of their unseemly conduct. While some officers have been suspended pending investigations, and others have attracted court martial proceedings, the political leaders suffering exposure have merely had to court controversy.

The way things are going, chances are they will never be called to account. The fading public memory will take care of the rest. The wholly gross but self-serving technique of recalling improprieties committed by political rivals in the past is being deployed with propagandist finesse by the parties of tainted leaders in order to justify the actions of their icons or to proclaim their innocence. The pity is that the tallest figures in government have contributed to the air of permissiveness by sanctioning the brazen approach through their utterances.

True, George Fernandes has had to resign as defence minister, and Bangaru Laxman and Jaya Jaitly have had to relinquish their positions as chiefs of their respective parties. But none of this amounts to being put through the legal process which ordinary men and women would have had to face as a matter of course, as the arraigned officials know to their cost. All that has happened so far is that the political leaders have lost their public positions. This has presumably been done to assuage the sense of hurt being nursed by the people on account of the actions of men and women in top leadership positions.

It would have been amazingly bad form if the citizenry had been denied even this satisfaction. Indeed, the government would have emerged in very poor light if even the few halting steps against the politicians had not been taken. But it is more than clear that the exercise is perfunctory, and that the establishment is merely going through the motions. Its sole aim is to create the illusion that appropriate action has been taken and to vilify those who are not taken in by empty actions and words and demand substantive steps instead.

Fernandes, after all, continues to retain his powerful position as convenor of the ruling NDA (a perfect pad from which to launch any future claim for Prime Ministership if the less than stable political position in the country were to deteriorate further). In a very real sense, this amounts to an acquittal without



STING LOW, SWEET CHARIOT: George Fernandes and Atal Bihari Vajpayee

trial. He has also been promised his cabinet job back after four months once he is cleared by the judicial inquiry now under way.

Presumably, Jaitly can be similarly reinstated in her former position. Laxman faces a problem in this respect since his job has already been taken (on account of intra-BJP pulls and pressures, and presumably because he had incautiously thrown an angled hint about the Prime Minister's men in the Tehelka tapes). But there is little likelihood that he will be displaced from the Rajya Sabha.

At any rate, his party loses no opportunity to declare his innocence on the ground that there is nothing seriously wrong about accepting bribes (without receipts, naturally) to shore up the party kitty, even if these are from shadowy 'arms dealers'. Thus, as far as the BJP is concerned, Laxman's ouster from the post of party president is not in the nature of punishment for a criminal act.

The senior politicians in question have not been subjected to the rigors of the law and are, indeed, being lauded by their respective parties on a near-daily basis. But by ordering a judicial probe in the circumstances arising out of the Tehelka operation, the government has taken care to place itself in a position to be able to formally argue that it has kept the ends of justice in view. Not many, however, are likely to be impressed, given the serious limitations that afflict the terms of reference.

No wonder, the sense is widespread that the proposed probe is no more than a counter-sting job whose real purpose is to act as a placebo with which to lull the people. Remember that the government's first reaction was to state for many days that an inquiry would be ordered depending on whether or not the opposition was able to make a case for one in Parliament.

Justice K. Venkataswami, who has been charged with conducting the inquiry, is a retired judge of the Supreme Court. His legal acumen and impartiality cannot be in doubt. But his suitability for the job could be a grey area, for the judge currently holds a government tenure. It would have been better if an inquiry of such a complex political nature were to have been conducted by a panel of more than one judge. This would conceivably have permitted room for diversity of opinion, if warranted, in the prosecuting of the probe.

Alas! There is one other niggling question in respect of the inquiry — high functionaries of the State have already passed their verdict by calling the Tehelka sting operation a political 'conspiracy'. It is on this basis that Fernandes' return as defence minister has been politically promised. Indian missions abroad have also been suitably instructed to reinforce the 'conspiracy' theory. This has given grounds for the belief that the government is trying to lay down the line for the inquiring judge.

In the circumstances, Justice Venkataswami could attempt to allay

public nervousness in the way that Justice Venkatchaliah did when fears began to be raised that the commission to review the functioning of the Constitution was aimed at fundamentally altering the Westminster model to suit the ruling combine.

Essentially, doubts are being harboured about the proposed Tehelka inquiry on account of the NDA government's track record. It is pertinent to recall that the terms of reference of the inquiry that had looked into the Kargil affair appeared to be pre-designed to pin the blame on individual officers or on the functioning of individual agencies of the government while permitting no questions to be raised in respect of the political leadership. As expected, the findings threw up few surprises, and the political leadership got away scot free.

In sharp contrast, the Bofors inquiry had kept the alleged culpability of politicians fully in focus. Needless to say, this was driven by public sentiment at the time. Similar sentiment is current today about politicians and high officials who surround them. But no one can be sanguine that their conduct would be brought under scrutiny in the normal course.

What a contrast with western democracies where political heads are the first to roll since politicians holding constitutional office are required to accept constructive responsibility, or themselves offer to do so with grace. Indeed, the tradition is not unknown to India, as can be seen from the instances of Krishna Menon and Lal Bahadur Shastri in an earlier era, and Madhavrao Scindia and Manmohan Singh not so long ago.

It is useful to recall that the painstaking Bofors probe, aided by the instrumentality of the CBI, was conducted by a Joint Parliamentary Committee. Since the principal parties in Parliament are represented on a JPC, doubts about fair play do not easily arise. It is intriguing why the government did not opt for a JPC probe, considering that it would have enjoyed a majority on the committee.

Announcing a JPC probe would probably also have deprived the opposition of a reason to stall Parliament for over a week in its bid to highlight the case for an impartial inquiry.

It is well worth examining if there are aspects thrown up by the Tehelka episode that can still be fruitfully looked at by Parliament. But no matter what, care should be taken that the ongoing modernisation or procurement plans of the defence services are not prejudiced.

Centre calls for J&K talks, sets no terms

HT Correspondent
New Delhi, April 5

HT-1
9-24-91

THE CENTRE today invited all Kashmiri militant organisations and the Hurriyat Conference for talks without setting pre-conditions. The invitation covers a broad spectrum - the State Government, all political parties, NGOs, trade unions, social and religious bodies and Kashmiri militant organisations that desire peace.

A PMO statement announcing the Government's decision said Deputy Chairman of the Planning Commission K C Pant would conduct the dialogue on its behalf. The agenda would be: "Peace and how it may be attained".

New Delhi has also expressed willingness to speak to Pakistan, but only if it stops sponsoring cross-border terrorism and ends its vicious anti-India propaganda. The Government reiterated India's readiness for dialogue "in accordance with the Shimla Agreement and the spirit of the Lahore Declaration".

The Hurriyat's response was too enthusiastic. Its chairman, Abdul Ghani Bhat said the Hurriyat would discuss the Centre's announcement next week in Srinagar. But Bhat stuck to the group's demand for talks involving Pakistan.

The Government's statement made a veiled reference to the Hurriyat's ambivalence on dialogue and its insistence on the involvement of Pakistan.

It said the conglomerate's position was inconsistent with its stated objective of negotiating a peace agreement without



Atal Bihari Vajpayee

pre-conditions.

"The doors are open for the Hurriyat to join the talks. The doors are also not closed for Kashmiri organisations which are currently engaged in militancy in the State but are desirous of peace," the statement said.

The Centre has called upon all "right thinking people in Jammu and Kashmir to join hands and march purposefully in the quest of peace that has eluded them for the last 12 years."

The PMO statement expressed hope that people's representatives from all walks of life in Jammu and Kashmir would be partners in the dialogue.

In what appears to be an effort to isolate mercenary factions operating in the State, the Government referred to what continuing violence perpetrated by some "predominantly non-Kashmiri terrorist groups" against the people of Jammu and Kashmir.

Sena hardens stand against Centre on labour, Exim policy

The Times of India News Service

MUMBAI: In a blistering attack on the central government's "anti-labour" policies, the Shiv Sena, a major ally in the BJP-led National Democratic Alliance, has exhorted Mumbai's trade unions to sink party differences and weld together a united front to safeguard the interests of the working class.

The party's belligerence on the Exim policy, globalisation and the Centre's move to amend contract and labour laws was evident at a rally organised by the Sena-controlled

Cooperative Bank Employees' Union in Mumbai on Sunday. "Not only will we oppose the Maharashtra government's decisions which

injure the interests of the workers, but the Sena will also take an extreme stand in the National Democratic Alliance on these issues," key party leader Uddhav Thackeray said in his inaugural speech, which set the tone for the day-long conclave. However, he did not elaborate on his party's "extreme stand" vis-a-vis the Vajpayee government.

The Sena's Union ministers, Manohar Joshi, Suresh Prabhu and Balasaheb Vikhe-Patil, and chief of the union Anandrao Adsul joined Mr Thackeray in launching a well-orchestrated attack on the Union government's "anti-labour" policies, even as the speakers emphasised the need for efficiency

and work ethics in the organised sector.

"Foreign goods are flooding our markets. The Centre doesn't seem eager to safeguard the interests of the working class. The Sena is a product of Mumbai's labour movement. Other political parties have been keeping a loaded silence on these issues. But the Sena will come out onto the streets to fight for the rights of the working class," Mr Uddhav Thackeray told the meeting which was held on the grounds of the Kamgar Kreeda

Kendra in the labour-dominated area of central Mumbai.

Mr Thackeray was sharply critical of the soft stance adopted by the Centre on the stock market scam. "Big bulls

such as Harshad Mehta and Ketan Parekh should be despatched to the *bail bazaar* (the bull market)," he quipped.

Should the government fail to generate employment, the jobless youths would set the country afire. Mr Joshi warned and urged the banking sector to offer loans to unemployed youths.

Pointing out that 27 per cent of the country's population continued to live below the poverty line, Mr Prabhu expressed optimism that the new economic policy would tackle such issues with urgency. "But we should also strengthen the cooperative sector," Mr Prabhu said.



A. B. Vajpayee



Bal Thackeray

THE TIMES OF INDIA

2001

Sudarshan now targets Mishra's dual posts

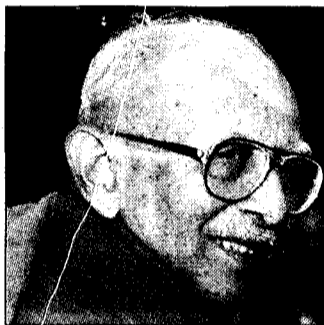
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HTI 8/9

New Delhi, April 2

AFTER HIS FLIP-FLOP on PMO officials, RSS chief K S Sudarshan has said that Principal Secretary Brajesh Mishra should not continue to hold two key portfolios.

"A single man is handling two important things, foreign affairs as well as national security. Each one of them requires 16 to 18 hours of monitoring. So one man cannot handle them," Sudarshan said in an interview to Outlook.

"Brajesh Mishra is adept at handling foreign affairs because he has been in the field for very long. Now he has been given an additional charge. Will he be able to handle it?" the RSS chief was quoted as having



SUDARSHAN

said, in a release by the magazine.

Sudarshan said it was the Prime Minister's prerogative to choose his own team.

"But if two important matters are handled by a

single man, will he be able to do justice to both? Therefore some more competent persons must be inducted into PMO."

He maintained that there should be "no extra-constitutional authority" and said "every decision should be taken by the Cabinet". Sudarshan had once before kicked up a storm with remarks on PMO officials that he later said had been misinterpreted. There were reports quoting the RSS leader as saying that the tehelka scandal broke because the PMO was full of incompetent people.

He later said he hadn't called Mishra incompetent, and had only said that the PMO should have competent officials.

PTI

EC shoots down Excise transfers

THE ELECTION Commission has refused to allow the West Bengal Government to transfer Excise officers before the polls.

The Government had sought the EC's permission for a number of transfers in the department. The EC has said there should be no transfers before the polls.

The commission asked the West Bengal and Assam Governments to transfer all deputy commissioners and collectors posted in their home districts or in a district for over four years, except in Darjeeling and Kolkota.

The commission has also ordered transfer of deputy commissioners of Nagaon and Sonitpur in Assam, which is also going to the polls along with Tamil Nadu, Kerala and Pondicherry. The model code of conduct came into force in all five States yesterday.

HTC, New Delhi

THE HINDUSTAN TIMES

- 3 APR 2001

Nitish taking steps to derail Mamata's budget proposals

Our Political Bureau
NEW DELHI 2 APRIL

ALTHOUGH THE new railway minister Nitish Kumar will be constrained to defend his predecessor Mamata Banerjee's budget, he is taking definite steps to limit some of her more impractical proposals. For instance he cannot, in all good political conscience, tinker too much with the railway fare hike or even the trains munificence to Bengal. But Mr Kumar will attempt to address some of the more important fiscal problems Mamata left behind. This would include rationalising downwards the inflated orders for electric locomotives and wagons that she had made. So, the Chittaranjan Locomotive Works would remain busy.

Mamata reserved pride of place to an Rs 800-crore savings she had apparently accomplished as cost cutting measures in the railways ministry. Mr Kumar found, to his horror that a lot of these was because she refused to spend money on things as crucial as railways safety. One of the first things Mr Kumar faced when he rejoined the ministry was streams of senior officials who came by to ask for higher amounts of disbursements for their projects. If a project's realistic



Nitish

cost is Rs 5 lakh, Mr Kumar found, his predecessor had forced the officials to value it at Rs 3 lakh so as to fudge the figures a little more credibly. Mr Kumar has reportedly left these projects to fend for themselves since in a difficult financial year, the last straw would be to increase costs right now. Anyway, railway ministry sources said, these officials were told that if they did not have the courage to make a persuasive case to the former minister they would just have to live with what they were given.

Ms Banerjee had placed orders for 5,000 wagons and 40 electrical locomotives over and above the normal requirements for the current fiscal. The orders for wagons were also targeted at public and private sector organisations like Jessop in Bengal which she reckoned will help her during the forthcoming polls.

Ms Banerjee's generosity regarding wagons and locos earned her the wrath of even the powerful Indian Railway Officers Association — in a memorandum last year it pointed out that requirements for electric locos were hiked without any ostensible reason from 78 to 94, and then later to 130, despite the Railways repairing 40 locos.

The Economic Times

- 3 APR 2001

Congress has no right to criticise us: Advani

HD-13
3/4
By Our Special Correspondent

TIRUCHI, APRIL 2. The Congress(I) had no moral or legal right to criticise the NDA Government nor talk about corruption since its history was strewn with unanswered corruption charges over defence deals, the Union Home Minister, Mr. L. K. Advani, said here tonight.

The NDA Government was committed to ensuring transparency and probity in public life and had taken steps to correct the flaws revealed through the Tehelka expose.

Mr. Advani said the Congress(I) had no right to convert Parliament into a fish market or a bazaar just because it had no arguments to criticise the Government, which had presented an excellent budget. He said he had never seen such pandemonium, as witnessed during the last 13 days, during his tenure as a MP for the past three decades.

The Opposition wanted to oust the democratically-elected Gov-

ernment by undemocratic means, he said. "However, the people will never allow the Opposition to remove the cleanest Government the country has had since Independence."

The Home Minister appealed to the electorate of Tamil Nadu to extend support to the NDA alliance, headed by the DMK. "The hallmark of good governance is transparency and honesty. The people of Tamil Nadu have, in the past, suffered due to a highly-corrupt government. The DMK-led alliance will ensure a clean government. People should vote for the DMK in the Assembly polls and the BJP in the Tiruchi Lok Sabha constituency.

The NDA convener and former Defence Minister, Mr. George Fernandes, claimed that the expose had demoralised the armed forces and dented people's faith and confidence in the Army. "The tapes had only provided another weapon to Pakistan to attack India's defence preparedness. The security of a nation depended not

only on the preparedness of its armed forces but also on the confidence and trust reposed on them by the people."

Mr. Fernandes said he chose to quit the Government, despite opposition from Mr. Advani and others, to explain the hollowness of Tehelka's charges to the people as Parliament was brought to a standstill by the Congress(I).

He charged that there was a nexus between the media — both print and electronic — and the Congress(I) to destabilise the Government. "This is proved by the repeated white lies spread by the media even after I countered each and every charge on Door-darshan."

He added that the Congress(I) gameplan to destabilise the Government would never succeed, and that the Vajpayee Government would last its full term. Mr. Fernandes also dismissed as baseless the charge that his home had been used for shady arms deals.

THE HINDU

• 3 APR 2001

'Phones of Opposition leaders tapped'

LUCKNOW, APRIL 1. The Samajwadi Party chief, Mr. Mulayam Singh Yadav, today alleged that telephones of all the main Opposition party leaders were being "bugged" on the instruction of the Prime Minister's Office in the wake of the Tehelka expose.

"I have got the list of all such leaders and a definite information in this regard and will make it public at an opportune time," Mr. Yadav told a press conference here. Terming the alleged tapping of phones as an attack on the privacy and freedom of political leaders, he said the exercise began after the Opposition parties cornered the NDA Government on the Tehelka tapes both inside and outside Parliament.

Mr. Yadav charged a senior PMO official with pressurising the CBI to implicate Opposition leaders by framing charges against them and demanded his removal.

On raids on the offices and residential premises of custom officials, he said the Government's action was delayed and was intended to divert people's attention from the Tehelka expose which, he said, had rattled it.

On the stock market scam, Mr. Yadav demanded the resignation of both the SEBI chairman and the RBI Governor. Assailing the Government's Exim policy, he said the BJP Government had sold the country to multinationals. "The policy is against the interest of farmers and the youth of the country," he said, adding "we are heading for economic slavery."

On the CBI charges against the Congress president, Ms. Sonia Gandhi's private secretary, Mr. Vincent George, he said his party had raised the issue in 1982 itself but nothing was done as the BJP and Congress were hand in glove

PRIME MINISTER'S OFFICE

NEW DELHI, APRIL 1. The Prime Minister's Office today denied as "baseless and unfounded," allegations levelled by the Samajwadi Party chief, Mr. Mulayam Singh Yadav, that the telephones of all the main Opposition leaders were being "bugged" and that the CBI was being pressurised to implicate these leaders by framing charges against them.

Reacting sharply to the allegations, a PMO spokesman said "the allegations are completely baseless and unfounded." "If any specific complaint of phone tapping or implicating an Opposition leader is brought to the notice of the Government, it will certainly be looked into," he said. — PTI

at that time. He said he was seeking legal opinion to take action against those who had levelled "baseless" charges on the purchase of state-of-art Sukhoi fighter aircraft for the Indian Air Force during his tenure as the Defence Minister. — PTI

THE HINDU

2 APR 2001

Father's father flaunts clout in PMO

PARTYSPEAK

Laxman's excuse

BJP president Bangaru Laxman today admitted that he had accepted money for the party from a team of website representatives who, he said, posed as "traders and not as arms-dealers".

"I took money for the party. Where do defence deals come from? I meet various kinds of people like contractors and businessmen. I don't remember fully. They said we have come for party fund, I remember that. I would have to check with party treasurer Ved Prakash Goyal," Laxman told reporters.

He said people give donation in cash or kind to the party and "they came as traders and not as arms-dealers".

Laxman said this was a "political conspiracy and they want to malign BJP, government and me. The credibility of the dotcom is doubtful. There is no question of resigning from the post of party president".

He said his "conscience was clear" and that had these people come as arms dealers "I would not have met them".

He alleged that the presence of Congress politicians at the release of the thelka.com cassettes proved that the Congress could stoop to any level to defame the NDA government.

About the possibility of filing a defamation suit against thelka.com, Laxman said it would be decided after going through the exact contents of the cassettes.

'Pokhran 3'

The Congress has demanded the resignation of the NDA government. "This government has no moral right to continue even for a minute if it is not in a position to disprove the fact revealed by thelka.com," party spokesman Jaipal Reddy said.

Our chief whip Priya Ranjan Das Munshi was present at the screening. There is no doubt to question the authenticity (sic). It is for the government's sake that I am speaking this.

He said the evidence also showed that the defence department was "totally porous".

It was the first time in the history of Independent India that such a scandal had been exposed, he said, terming it "Pokhran Three".

In the Lok Sabha, Das Munshi raised the issue twice — first in the afternoon after the tapes were released, and the second, just before the adjournment hour. In the Rajya Sabha, Manmohan Singh raised the issue and demanded a statement.

'Govt must go'

The Left parties today demanded the resignation of the government in the backdrop of "shocking revelations linking some Central ministers with defence deals". The CPM, the CPI, RSP and the Forward Bloc also demanded that the guilty be brought to trial.

"To protect the country and the Constitution, it is essential that all those involved in taking bribes, whether they belong to the defence establishment, the government or political parties, be brought to trial," a CPM Politburo statement said.

It added that chiefs of the BJP and the Samata Party were "seen taking bribes which showed the depth to which the present coalition had fallen. The role of (an) RSS trustee and the Samata Party highlights the dangers of continuing with the present set up".

The Forward Bloc said George Fernandes must resign as "it has been proved that national security was in danger with the present set up remaining in power".

Parliament in peril

The RJD has threatened to disrupt proceedings in Parliament if the government did not resign on the issue of "bungling in defence deals". It said the government had no moral right to continue.

The Nationalist Congress Party said their members will not allow proceedings to take place till the government came out with the truth on the allegations.

Samajwadi Party leader Amar Singh said he had not seen the contents of the tapes and would only react after he went through the cassettes.

compiled from agency reports

FROM OUR SPECIAL CORRESPONDENT

New Delhi, March 13: The thelka.com exposé comes exactly a day after Prime Minister Atal Bihari Vajpayee took the Lok Sabha by surprise when he slammed the media in his reply to the motion of thanks to the President's address. He accused magazines and newspapers of publishing "baseless"

stories and playing "their own games and politics".

Although Vajpayee is not implicated, the Prime Minister's Office (PMO) and Ranjan Bhattacharya, his foster son-in-law, have not emerged unscathed.

R.K. Gupta, an RSS trustee who comes across as a major conduit in deal-making, has been quoted as alleging that the Prime Minister's principal secretary and national security adviser Brajesh Mishra's "price" was one crore.

Mishra has been cited as the principal go-between for clinching such exercises with the government "because he has access to the defence, foreign and other related ministries". "He deals with the bureaucracy. And also conveys the views of the bureau-

cracy to PM."

Of Bhattacharya, Gupta says: "Ranjan Bhattacharya... is the PM's son-in-law," and later, "I have cut him into pieces. I have gone through the party. PM can't say no. Party's getting 100 crores. He won't say: 'No my son-in-law is getting 100 crores. Leave it.' We are his father's father."

The transcript makes it clear that Bhattacharya's alleged involvement in settling deals was restricted to the power sector. "As far as defence things are concerned I don't think he has much. Somewhat in power projects. This and that."

Mishra was the main focus of an exposé published earlier by a weekly which said that he and the officer on special duty for economic affairs in the PMO, N.K. Singh, called the shots.

"Mishra and Singh constitute the powerful arms of the PMO, which has now become an imperial power centre, riding roughshod over the bureaucracy and foisting controversial decisions on various ministries without as much as consulting them," the article alleged.

The most shocking claim made by the article was about the unprecedented clout acquired by a

few select business houses, who, it said, had the power to convene Cabinet meetings at short notice and set up an audience with the Prime Minister.

It went on to say that much of the favours bestowed on industrial houses were passed off as economic reform, causing a section of the industry to protest and call the moves as "licence raj in a different garb".

crore.

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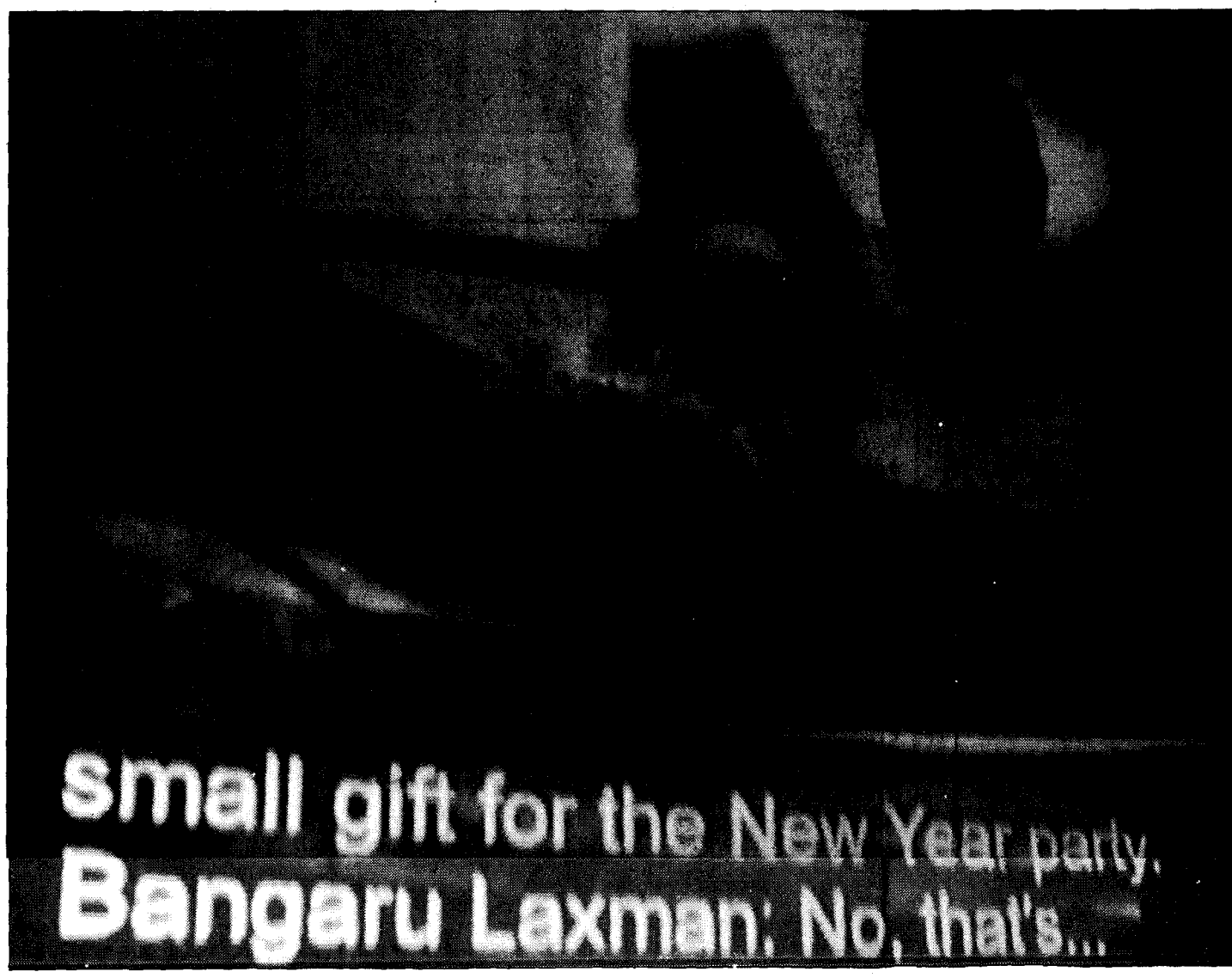
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Thelka video shows BJP president Bangaru Laxman accepting the cash. A Telegraph picture

The starter: a lakh for new year

Coming to know that Bangaru Laxman had taken on himself the task of approaching him in a costless manner. For a while RSS trustee R.K. Gupta was asking for a sum of Rs 25 lakh for an introduction to Laxman and getting the job done. Sahni, the other defence middleman, himself had put a figure of Rs 10 lakh. West End had no budget of that kind and talked to H.C. Pant (a deputy-director in the ministry of defence). He offered first to take the team to Sahib Singh Verma, BJP MP, who would then act as a cost of Rs 1 lakh take them to Laxman. Eventually, Pant sent Mohan Singh, private secretary to former minister of state for defence Harin Pathak, to introduce West End to Raju Venkatesh, Laxman's personal secretary. Here's the first meeting.

the defence secretary.

Bangaru: Hmm.

Teelka: On these times, so it defence secretary will agree, so our company will be short-listed. We will get around 60 crores of rupees order.

Bangaru: Hmm. Who are the people who will help this? I mean, there must be some committee which must have given.

Teelka: No, that is they've approved. That PNC (price negotiations committee) will open January first week. Before we have Sir, there is one reason I'll tell you very frankly, openly. So in the bureaucratic and in the political level, they will not allow in the third company into the fray. Reason, two companies are already supplying.

The next meeting with Bangaru takes place in the New Year. By now, the token advance of Laxman had been whittled down by West End to Rs 1 lakh from Rs 5 lakh. This, after presenting a gold chain to his other secretary, Sathya-murthi, and a token amount of Rs 10,000 to Raju Venkatesh. All this for the sole purpose that they would project West End as a very big and credible company to Bangaru Laxman.

Teelka: I have met Mr Gupta.

Bangaru: This I do not know.

Teelka: No, sir. Mr Gupta told me he arranged the meeting.

Bangaru: Leave Mr Gupta.

Teelka: Okay, I will.

Bangaru: You have come directly.

Teelka: I have come directly. I have my credibility. My company's having the credibility. I don't need to meet you through Mr Gupta.

Bangaru: You come direct.

Teelka: Hmm?

(Sathya-murthi) will fix up appointment.

Teelka: Sir, can I give you one lakh rupees for it? For a token.

Bangaru: Achha.

Teelka: So, can you arrange the appointment tomorrow? Can you arrange?

Bangaru: Tomorrow?

Teelka: So he will come and meet you. So will you. Uh. What I told to Mr Satya that matter.

Bangaru: Hmm.

Teelka: For the party fund.

Bangaru: Hmm.

Teelka: I have five lakh rupees.

Bangaru: Hmm.

Teelka: And today I will give you one lakh rupees. For just the beginning. A New Year gift.

Bangaru: Hmm, hmm.

Teelka: Sir, this is a small gift.

Bangaru: Oh, no, no.

Teelka: It's a small gift for the New Year party.

(Bangaru opens the drawer, takes money from Teelka and puts it away)

Teelka: New Year party fund haan. One lakh rupees.

(Pause)

Teelka: So what time can I call my boss here?

Bangaru: Tomorrow. Hmm.

Teelka: And then. Rupee.

Bangaru: When do you?

Teelka: Tomorrow. Rupee or dollar?

Bangaru: Dollars. You can give dollars.

Teelka: Okay. We can give you dollars.

The third meeting with Bangaru took place with Atin D'Souza, president of West End. Laxman was expecting a sum of around

\$25,000 from West End. Here Laxman talks about how the BJP and Vajpayee use principal secretary Brajesh Mishra as the guy who pushes their deals.

Teelka: So tell me what exactly is the procedure?

Bangaru: Look. No. Probably you may be knowing the procedure better than me.

Teelka: Yeah, Yeah. That's why I was here. But things don't move in India without some political... Bangaru: Yes, that is true. So far we have been taking the help of Brajesh Mishra to organise this because Brajesh Mishra is there on a number of committees apart from (being) principal secretary to Prime Minister.

Teelka: Okay.

Bangaru: And (on) any defence issues... we normally turn to him because he has access to the defence, foreign and other related ministries.

Teelka: Basically, is he the only person with influence? I'm sure you carry more influence.

Bangaru: No, he deals with the bureaucracy.

Teelka: (continuing) And also conveys the views of the bureaucracy to prime minister. So he is the liaison between the bureaucracy and the prime minister... Whatever we tell to prime minister, he also normally have (sic) a word with Mishra.

Teelka: Okay.

Bangaru: And then certain things he will say that "no, no, you convey this to Mishra."

Teelka: Okay. So basically he is the linchpin in all the dealings? (Laxman nods)

Bangaru: He is. But I'll find out all this information.

'Brajesh is PM... his price is one crore'

H.C. Pant, deputy director in the defence ministry, introduces the West End team to two big middlemen. RSS trustee R.K. Gupta and his son Deepak Gupta. Here's how R.K. Gupta's name first comes up.

Pant: PM used to stay in their (R.K. Gupta's) house in GK (Greater Kailash) in '77, '75, '76, '77. I have seen him there. He's given one of his Jhandewalan buildings to RSS. That building was owned by R.K. Gupta.

West End contacts Deepak Gupta, defence middleman and industrialist, to get access to the Prime Minister's Office.

Deepak Gupta: Let me tell you briefly my job profile. My job profile is power, defence, telecommunication and highways... And (in) these four areas, whatever money that has to go to the government, goes through me.

Teelka: Okay.

Deepak: Which gives me the access to get any instructions done... I operate from the PMO.

Teelka: Okay.

Deepak: Okay? Brajesh Mishra (Vajpayee's principal secretary) gives instructions... "Do this, do this." "This needs to be done", "This file needs to stop", "This file needs to begin".

Deepak: So we are in an area of big fish. We catch big fish. We don't catch small fish... If you want to catch the big fish, it is 35 per cent business.

Teelka: That is true.

Deepak: But while the net is put for the big fish, there are people who hold the net. There is (the) defence secretary, there are some joint secretaries... So I come to know.

Deepak introduces the West End team to a second-rung defence fixer called Rakesh Nigam, who claims a direct link with defence secretary Yogesh Narain.

Rakesh: No, no, the commission you speak of, 17 per cent, that will come at a later stage. We will not ask you for a letter or anything until we are sure about whether we can perform or not. But to make a breakthrough within that 17 per cent there is going to be. There could be something known as teething problems. Teething expenses, which you have to meet. How much, that's what I am asking you.

Teelka: You see, you are talking about the token amount?

Rakesh: Yeah.

Teelka: Token amount is if you can arrange a meeting with this man, defence secretary. It's just a half' kind of promise from his level. It won't be worked out in 2000, maybe in 2001. Now on-the-spot, I can give two lakh rupees.

Rakesh: I will give you 25 lakhs of rupees. You arrange for my meeting with the defence secretary. People here talk in crores, you are talking two lakhs and five lakhs... Organising a meeting is a very big breakthrough. It's all going to be official... Two lakhs, five lakhs, 10 lakhs people just throw for entertaining.

Rakesh talks about a deal with former minister of state for defence Harin Pathak, in which he says he gave him kickbacks worth Rs 1

crore.

Rakesh: Harin Pathak is a very bold person. One or two jobs he did for me and we exchanged bags. And things moved very smoothly. The West End team go their first meeting with R.K. Gupta. They are taken by Pant. Gupta straightaway talks about his Atal Bihari Vajpayee connections and what the Prime Minister has told Bangaru Laxman.

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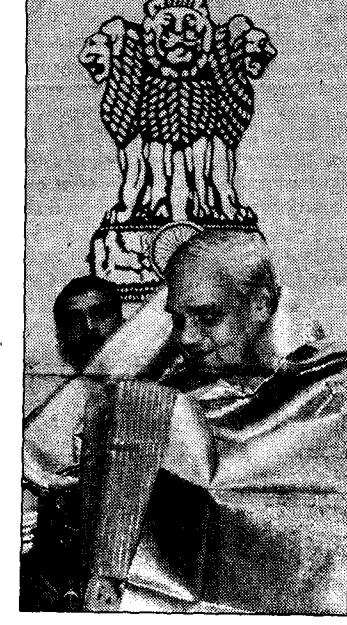
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Vajpayee in Delhi (PTI)

Mishra, principal secretary to the Prime Minister, in one deal.

R.K. Gupta: This minister is a fool. Bangaru Laxman is a useless fool.

Pant: Yes.

R.K. Gupta: You tell him this, this work has to be done... We should tell Bangaru that Brajesh Mishra should order from defence ministry.

Pant (turning to address Teelka): Brajesh Mishra... will order George Fernandes, defence minister, or recommend some of this.

Teelka: Sir, we are ready to give to the party fund also, no problem. The token also.

R.K. Gupta: No, no. What is the total cost of the project?

Teelka: Now we are expecting we will get around 40 crores or 50 crores. Small lot.

R.K. Gupta: How much is the commission given to the party?

Teelka: Tell me, sir...

R.K. Gupta: (interrupts) I got some order for Russians... They give 12 to 15 per cent... But they take back 50 per cent themselves. The rest is given. Out of that, users, they take one per cent... And the defence secretary will take.

Teelka: One per cent.

R.K. Gupta: One. One-and-a-half per cent. He'll settle with (sic) one... No problem. First Bangaru will speak to him, I will speak to. Plus we'll also bridge them. Party fund will be at least two-three per cent.

Teelka: Okay. Ready to give. No problem.

R.K. Gupta: This my son won't handle. I will handle personally.

Teelka: Sir, Ranjan also. Mr Ranjan Bhattacharya...

R.K. Gupta: But he has been asked to keep off.

Teelka: Okay.

R.K. Gupta: In one deal, I killed Ranjan and Brajesh Mishra both. Got through directly. PM blasted him. (Pause)

R.K. Gupta: There are ways to do things. First we will make a plan. Your order ready?

Teelka: Yeah, everything is ready.

R.K. Gupta: If Brajesh Mishra tells the defence secretary, "It has to be done," the defence secretary's the last word.

Teelka: Hmm, exactly.

R.K. Gupta: This Yogesh Narain I went to.

Pant: Haan, Yogesh Narain.

R.K. Gupta: Yogesh Narain, I will get it spoken to by the PM.

Teelka: Okay.

R.K. Gupta: Not PM himself. Brajesh Mishra is PM. After that I'll talk to Yogesh myself. I know him very well. He will want that somebody should tell him. Okay? Then I'll tell Bangaru Laxman.

Teelka: Hmm.

R.K. Gupta: That "Sir, this is a 40 crores worth order. Out of this party will, how many crores will it get?"

Teelka: Three per cent. That's very clear.

R.K. Gupta: Not like this. Give one crore, two crore. Don't give them percentage.

R.K. Gupta: You have to have this big heart (makes a gesture) if you want to work. This much I can guarantee you, your money will never go waste. I only take personal responsibility.

Teelka: Thank you, sir. Thank you.

R.K. Gupta: Because I can force them... I can also slap on the face if they don't do the work. When I do the work, I put 20-25 lakhs in my pocket.

Teelka: Hmm.

R.K. Gupta: I will just go and give to these... like defence secretary five lakhs. Then Ved Prakash Goyal. Five lakh rupees for the party. Then I go to Bangaru Laxman. You just give them for no work...

Teelka: We have to give. Bangaru Laxman?

R.K. Gupta: No, not Bangaru Laxman. Ten lakhs is too less. I will give to defence secretary.

Teelka: Okay.

R.K. Gupta: Then Ved Prakash Goyal, treasurer of BJP.

Pant: Ved Prakash Goyal.

Teelka: Okay, Brajesh.

R.K. Gupta: Not Brajesh.

Pant: Ved Prakash.

R.K. Gupta: Okay, Ved Prakash.

R.K. Gupta: Brajesh's price is one crore. I don't want to go with him with money.

I have spoken to the boss. Don't worry, she said

Thelka's "West End" contacted Sashi Menon, senior section officer in the defence ministry. After getting a monetary incentive, Menon took the representatives of the firm to Brigadier Anil Sehgal's house in New Delhi. Sehgal is the deputy director in the DGOS, a crucial army procurement post.

Mantri also. Address it to the Raksha Mantri and give a CC to everybody, behan @#%!

Teelka: RM first? Sir, then how he will collect the money?

Brig. Sehgal: Behan @#%!, there are numerous channels for him.

Teelka: Those people will contact us.

Brig. Sehgal: They will come on their own...

West End meets R.K. Jain, treasurer of the Samata Party.

the night at 7.30. "Mr Jain, can you come and see me right now?" I said, "Yes." Actually, in the first meeting he said, "Mr Jain, I want two-and-a-half lakh rupees." When I went without appointment with my friend, (he said), "I need money. Can you arrange Rs 2.5 lakh?" I said, "What are you talking? You are such a big man. You are asking for 2.5 lakh rupees? I can't give you. You should have asked for 10 lakh, 20 lakh. What is 2.5 lakh?" Then he says, "No, no, I need 2.5 lakh. Can you give it to me?" I said, "Yeah, I'll give it. Give me two-three days' time." Next day again he phoned me. I thought he'll ask for more. He had agreed for 2.5, now will he ask for more? He said: "Mr Jain, I want to make you my national treasurer." That is how I became the treasurer.

ment, Abdul Kalam, objected to the Israeli missile system called Barak as he was in favour of the indigenous varieties — Trishul and Prithvi variants — overruled by Fernandes.

R.K. Jain: Our help at times is a very big help. Like Barak was the case. Barak, you know, is a system which is set on the ships, for Naval ships. And it is air-to-air, surface-to-air missile. The file was going on for purchase of seven Barak, plus the ammunition from a company called Rafael in Israel. (To) Abdul Kalam the file went twice. I told you. DRDO, the head of the research and development wing is the scientific adviser to the defence, Abdul Kalam. Nowadays Atre is there. Abdul Kalam has retired. So, he wrote on the file that, "Look, we are developing our Prithvi or Trishul. Trishul missiles. I think, according to me, the

Prithvi should be or Trishul should be set up on our naval ships. There is no point of buying this imported system Barak."

Teelka: That is not missile. That is a system.

R.K. Jain: Again, I just do my job. How do I do? The scientific adviser is also on the above of George Fernandes now. He (Suresh Nanda) gave me one crore rupees. "You keep it with you. Whether this order is being done or not done, I don't care. But I want to give it to the party. You give it and please try and help me. Money is not a problem." I went and paid... I told Jaya Jaitly, "Look, so much of money he has already given to me now. If you accept it, that means we have to do something for the party. If you don't accept it, well, I'll go and give it back. But only accept it when we feel that we can do something. Otherwise, he won't say anything to me, but he won't feel good. He won't feel nice." She said, "Give me time for two days." She kept the money. After two days, she says: "I've spoken to the

boss. Don't worry. He said he'll make everything fine." The file was called. He wrote on the file: "Vikrant is our main ship, is the main vessel..."

R.K. Jain: ... Not Vikrant. INS Virat. Sorry.

Teelka: This is for INS Virat.

R.K. Jain: INS Virat. And he told me, "Look, Mr Jain, I'm doing it, I'm overruling the comments of the scientific adviser, so it is not good to allow seven pieces in one go. Because we have seven ships. Naval... real seven ships who are real fighters. But tell your company that they should try and push from the down level. That after one is approved, 'No, no, we can't do with one. All ships are very important. Please allow us to buy all seven.' Then I'll give them the permission to buy and purchase the rest of the six." Same thing happened after six months. The file went to the boss again because Nanda managed to, you know, from the bottom he managed to get a letter in the name of George Fernandes, that "This is very impor-

tant. Without this we can't survive." So...

Teelka: So, Mr Kalam took the money?

R.K. Jain: No.

Teelka: Not Kalam?

R.K. Jain: Not Kalam. Kalam, because see Kalam was overruled by George Fernandes.

Teelka: Okay, okay.

R.K. Jain: So.

Teelka: How much was the deal worth?

R.K. Jain: (Rs) 560 crore. Eighty crore was one piece. The deal is still going on. The PNC is going on. It's not yet through. The final negotiation is going on.

Teelka: The percentages are decided, is it?

R.K. Jain: Yeah. At least what my party is going to get, what I'm going to get. It's all been decided.

Teelka: Three per cent. Is it?

R.K. Jain: That three per cent to the party.

Teelka: Okay, okay.

R.K. Jain: But for myself also.



George

Scientific adviser to the govern-

Opposition motion on Balco embarrasses government

STATESMAN NEWS SERVICE

NEW DELHI, March 12. — The government today found itself in an embarrassing situation in the Rajya Sabha where an Opposition-sponsored amendment on disinvestment of Balco in the motion of thanks on the President's address to the joint session of Parliament was carried by 103 to 64 votes. Though the voting didn't have legal or constitutional implications for the government, the Opposition termed it as a moral defeat.

The amendment was pressed by Mr Pranab Mukherjee, Mr Suresh Pachauri, Mr Dipankar

Bhattacharya and three other leaders.

They said: "This House regrets that the presidential address doesn't mention the government's decision to sell out Balco, a 100 per cent Central government-owned public sector undertaking having a track record of continuous profit and huge cash reserves, to a private company whose track record of manufacturing and running an aluminium company is not known and is of a doubtful nature."

As Mr AB Vajpayee rounded up his reply to the three-day long debate on the motion of thanks, Mr Krishan Kant asked Mr Mu-

kherjee whether he would withdraw his amendment.

The Congress leader said he would press it and seek a division.

Mr Mukherjee said on two previous occasions, the Congress government in 1980 and United Front government in 1989 had to face such embarrassment when an Opposition-sponsored amendment on motion of thanks was carried.

The first such amendment was moved by the then leader of the Opposition in the Rajya Sabha, Mr LK Advani.

Balco employees' strike entered its 10th day today, adds SNS from Chhattisgarh.

THE STATESMAN

13 MAR 2001

13 MAR 2001

Govt ready for debate: Mahajan

SUDESH K VERMA
STATESMAN NEWS SERVICE

NEW DELHI, March 13. — Mr Pramod Mahajan, after a two-hour Cabinet meeting, today said: "The government's attention has been drawn to the tapes and the government is ready and willing for a thorough debate in Parliament, and an inquiry if necessary.

"No guilty will be spared and no innocent person's reputation will be allowed to be tarnished."

Cornered after the allegations made out in the tehalka tapes, the Union government has decided to invite the Opposition to a debate on the issue. It is likely to give the government managers some time to work out a strategy to counter the Opposition attack.

The government managers' calculations being that the Opposition won't be ready for a debate and will prefer to stall Parliament to gain maximum political mileage. In that case, the government will have a face saver. However, if the Opposition accepts the challenge and agrees to a debate, the government will field defence minister Mr George Fernandes to counter Opposition attacks. In case the Opposition isn't satisfied with the government's reply, NDA political managers will offer an inquiry to silence them.

This appears to be the political strategy to which Prime Minister Mr AB Vajpayee has given his nod, according to a PMO official. Mr LK Advani, Mr George Fernandes and Mr Pramod Mahajan together worked out the strategy in the Cabinet meeting that considered the issue in detail. The government will offer to debate the issue on any day under any rule and the offer of inquiry too would be of any form that would satisfy the Opposition, an official said.

As part of the strategy, the Centre expressed readiness for a debate in Parliament on the allegations. While offering to inquire into the issue, the government claimed that it had "nothing to hide."

Mamata stays away from Cabinet meeting

L MANOJ
STATESMAN NEWS SERVICE

NEW DELHI, March 13. — Miss Mamata Banerjee has virtually raised the banner of revolt even as the Vajpayee government carries out serious damage control exercise. The Trinamul Congress leader boycotted the Cabinet meeting tonight. She reportedly wants the government to punish the guilty forthwith.

Miss Banerjee, on her way to attend the Cabinet meeting, ordered her car to be driven her back to her residence, sources said. "Miss Banerjee is so upset about the whole thing, she did not feel like attending the Cabinet meeting. She wants the government to act fast on these damaging allegations and if anybody is found guilty, they should be punished. None should be allowed to go scot free," a source close to Miss Banerjee said.

Miss Banerjee remained incommunicado to the press after

■ See MAMATA: page 6

THE STATESMAN

Left wants Vajpayee govt to quit

STATESMAN NEWS SERVICE

NEW DELHI, March 13 - The CPI-M and the CPI today demanded resignation of the Vajpayee Government following the allegations levelled at the Tehelka press conference.

A CPI-M politburo statement said: "the shocking revelations made by the website tehelka.com about the vast network of bribe-taking within the government, the defence establishment, leaders of the political parties in the ruling coalition, will come as a shock to the entire country".

The party said the allegations have "confirmed apprehensions about how deep and widespread is the rot of corruption. The Bofors scandal, which for the first time threw open the lid of corruption in high circles, seems a minor episode compared to the vast system of institutionalised corruption that the recent investigation has revealed".

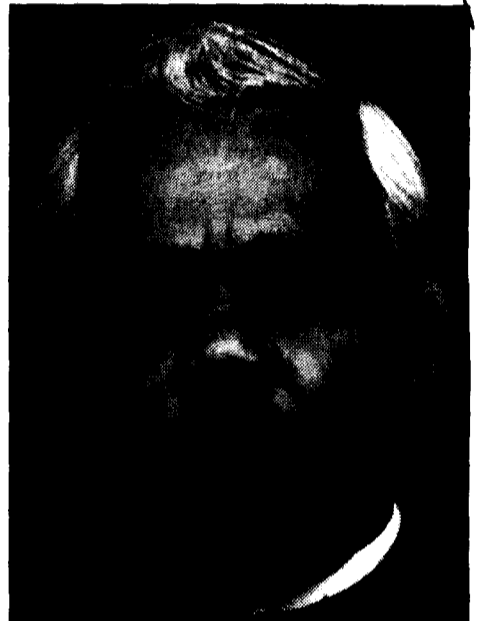
The party said "president of the BJP and the president of the Samata Party, the two

major partners in the NDA have been openly seen taking bribes. (This) shows the depths to which the present coalition has fallen.

The role of the RSS trustee and the Samata party to which the defence minister Mr George Fernandes belongs, highlights the dangers of continuing with the present set-up. Of greater concern is also the subversive influence of tainted money in the defence establishment, which directly affects national security and our sovereignty".

Saying there "can be no compromise with criminal and illegal activities, the politburo demanded that the "Vajpayee government submit its resignation forthwith. The party has demanded that "to protect the country and the Constitution, all those involved in the bribe taking be proceeded against and brought to trial".

The CPI Central leadership, while terming the allegations as "most shocking", said the Vajpayee government "has lost the moral right to continue in office and therefore should resign immediately".



Mr Atal Behari Vajpayee

Govt should quit, says Cong

HT Correspondent
New Delhi, March 13

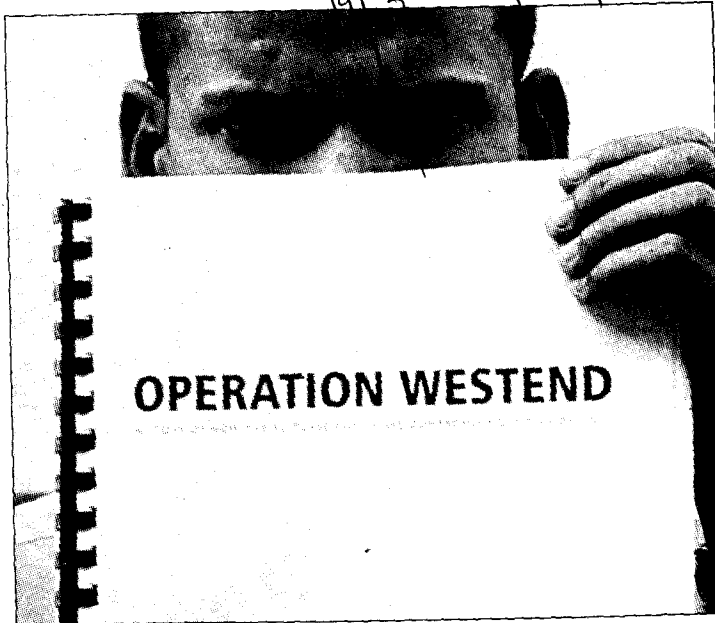
AFTER FORCING adjournments on the Tehelka issue in both Houses of Parliament, the Congress virtually demanded the Vajpayee Government's resignation by stating that the NDA dispensation had "no moral right to continue in office" in the face of the shocking defence deals expose.

Sharply reacting to the developments, party spokesperson Jaipal Reddy commented: "India has not witnessed such an explosive and annihilating expose of this scale. It could be best described as Pokhran-III".

He claimed the dotcom story has provided "incontrovertible" evidence of the involvement of Prime Minister Atal Bihari Vajpayee, his Principal Secretary Brajesh Mishra, Defence Minister George Fernandes, BJP president Bangaru Laxman, Samata chief Jaya Jaitly and some RSS functionaries in "stupendous and stinking" defence contracts.

He felt the videographic evidence clearly showed as to how Mr Fernandes overruled the well-considered opinion of eminent scientist Dr Abdul Kalam on a highly technical subject like missiles. "Fernandes as a lay man set aside Dr Kalam's view to obtain certain instruments from Israel," he added.

Mr Reddy, while describing these revelations as "shocking and startling", said the expose was the ultimate proof of the 'absolute rotten character' of the Vajpayee Government. "The



AP PHOTO

onus of disproving such shocking facts shifts entirely on the Prime Minister and we hold him accountable for all the transactions", he observed.

Referring to the BJP chief, who has been shown receiving money in the video film, Mr Reddy sarcastically remarked: "He was seen receiving wads of Rs 500 notes with Mahatma Gandhi's portrait clearly visible in the background.

"I pray for the Mahatma's soul and hope that he is not turning in his grave".

Further commenting on Mr Laxman's admission about having received the money for "party

funds", the Congress leader felt that no further evidence was required to probe the defence deals as the BJP chief had himself provided "clinching and conclusive" proof of the Government's involvement in underhand deals.

Mr Reddy expressed surprise that though Mr Fernandes was present in the Lok Sabha when the issue was raised by Congress chief whip P R Dasmunshi, he preferred to remain silent and took to his heels instead of clarifying his position. "This roaring lion of Parliament had to run away from the House", he quipped.



Vishnu Bhagwat

Vishnu Bhagwat feels vindicated

FORMER NAVY Chief Admiral Vishnu Bhagwat feels vindicated after the Tehelka expose.

He said his stand that middlemen and arms agents influence the government's decision-making had been proved right.

"The office of the Defence Minister has been debased to the extent that it affects the morale of the defence services. It has also irretrievably damaged the key institutions of the state," Bhagwat said.

He said it was not simply a case of buying arms. Foreign intelligence agencies ride on the backs of these agents and succeed in subverting army personnel and the armed forces.

"They also succeed in subverting internal security and key institutions of state. The ruling parties have only demonstrated that they are not averse to subverting national interests for a few hundred thousand dollars. Now perhaps no institution remains untouched or clean," Bhagwat said. **HTC, Mumbai**

Stocks crash: JPC probe ruled out

By Our Special Correspondent

NEW DELHI, MARCH 13. The Government today rejected the Opposition's demand for a Joint Parliamentary Committee (JPC) probe into the crash in share prices over the past few days. The Securities and Exchange Board of India was now probing it and specialised agencies would be called in if the law had been violated.

"We are in complete control of the situation and therefore there will be no JPC probe," said the Union Finance Minister, Mr. Yashwant Sinha, while replying to a calling attention motion on the issue in the Rajya Sabha. The Shiv Sena joined the Congress, the Left and other parties in demanding a JPC probe as the SEBI's role in dealing with the stock exchange crisis that began from Dalal Street had left much to be desired.

(According to PTI, Mr. Sinha announced a three-point strategy to corporatise stock exchanges, give more teeth to the 1992 SEBI Act and extend rolling settlement to 200 category "a" stocks by July. These steps were in addition to those initiated by the SEBI to improve institutional mechanisms and trading practices in the face of bear-hammering in the stock markets, two days after the presentation of the budget.)

Giving a clean chit to the SEBI Chairman, Mr. D. R. Mehta, despite the Opposition's protests, Mr. Sinha said, "there is no reason to doubt the competency or the in-

tegrity of the stock market regulator" and that the Government "cannot accept criticism against the SEBI chief as his integrity is totally above board."

The Minister also defended the surveillance system saying it was "as safe as an aircraft black-box" and refuted a charge by the former Finance Minister, Dr. Manmohan Singh, that some measures taken by the SEBI in the recent past had artificially ramped up stocks of ICE economy companies. The Minister was also unaware of underworld financing of the stock market though he admitted that he "can't stand and vouch for it."

While promising to punish the guilty, Mr. Sinha sought to outline the parameters of his reply. "What we are looking at is not the volatility in share prices but at the issue of manipulation, if there is any." He also emphasised that stock markets the world over had been skidding for the past 12 months.

The Minister faced six probing questions from Dr. Manmohan Singh who had initiated the calling attention motion. The former Finance Minister had wanted to know whether the SEBI had acted on its own or was persuaded by the Government; whether the SEBI would investigate the bear as well as bull cartels; details of the 1998 SEBI probe into rigging by Sterlite, HFCL and Videocon; the role of bank funds in speculation; the SEBI's role in encouraging speculation; and, steps to deal with it.

THE HINDU

10 MAR 2001

Govt launches Operation Salvage

- NDA partners close ranks
- Exit of George Fernandes ruled out
- Parliament adjourned
- Third Front to be revived

HT Correspondent
New Delhi, March 14

PRIME MINISTER Atal Bihari Vajpayee won the support of NDA allies - barring Trinamool Congress chief Mamata Banerjee - for turning down the Opposition demand for resignation of persons, particularly Defence Minister George Fernandes, named in the Tehelka's sensational expose on defence deals.

The Opposition, on its part, paralysed Parliament to press its case that the Government had lost the "moral right" to continue in office and began exploratory exercise for realignment.

In a significant move, top leaders of the erstwhile United Front met at the residence of CPI(M) general secretary Harkishan Singh Surjeet to chalk out a broad strategy to recreate the Third Front. The 90-minute meeting was attended by Jyoti Basu, former PMs VP Singh and HD Deve Gowda and Samajwadi Party leader Mulayam Singh Yadav.

In an exercise to limit the damage caused by mounting Opposition campaign, the Government swiftly suspended four Army and Defence Ministry officials. It also expressed willingness to order any type of inquiry sought by the Opposition after a discussion in Parliament.

The allies, including the Telugu Desam Party, whose support is crucial to the survival of the Government, backed the Government's stand.

However, striking a discordant note, Mamata Banerjee conveyed to the PM in a letter that he should "accept" the reported offer of resignation by Fernandes, failing which she would be left with no option but to withdraw her party's support.



Congress party supporters scuffle with policemen near Parliament on Wednesday.

Ignoring her plea, the NDA Coordination Committee concluded that it should stay united to face the Opposition's "sinister conspiracy" to tarnish the alliance's image. It declared that no one should quit till a probe established any wrongdoing.

While NDA leaders said they did not expect Mamata to quit the alliance at this juncture, her strongly-worded letter to the PM left room for interpretation that she was "preparing ground" for her eventual departure from the Government and the alliance.

NDA leaders Murasoli Maran (DMK), S S Dhindsa (Akali Dal) and Parliamentary Affairs Minister Pramod Mahajan held that Mamata was under an "erroneous impression" that Fernan-

des had offered to resign. "We will talk to her to clear the impression," they said, adding that no resignation was sought nor offered.

Even the Samata Party stoutly ruled out resignation of Fernandes and his president, Jaya Jaitly. The party also denied that Fernandes had offered to resign.

Fernandes told NDA leaders that he had been made a target because he banned entry of agents in the Defence Ministry. He said he had referred all defence deals of last ten years to the CVC to find out if kickbacks had been paid. He said middlemen had ganged up against him because of his tough stand.

Buoyed by the support from the allies, Vajpayee challenged

BJP NAMES ACTING CHIEF

SENIOR BJP leader Jana Krishnamurthy will be acting president of the party. This was decided at an hour-long meeting of the BJP's central office bearers here today. Earlier senior party leaders discussed in detail the resignation of Bangaru Laxman. PTI, New Delhi

the Opposition to make out a case in Parliament for the Government's resignation.

The BJP Parliamentary Party expressed full faith and confidence in Vajpayee's leadership after Home Minister L K Advani told party MPs that there were "no kickbacks and no deal".

Related reports, photographs on pages 3 & 9

'Better accept George's resignation, or else...'

HT Correspondents
New Delhi/Kolkata, March 14

MAMATA BANERJEE today threatened that her party would reconsider support to the NDA Government unless "the resignation" of Defence Minister George Fernandes is accepted and the allegations made in the tehelka tapes probed.

In a letter to the Prime Minister, she said Fernandes had resigned owning moral responsibility in the highest traditions of democratic functioning and that his resignation should be accepted pending investigation.

In another letter to the PM, dated March 12, which she released to the Press today, she called for a review of the Bal-co sale "in the interest of the country as well as of the employees".

Mamata, who held a meeting with her party MPs and other leaders this morning, writes in the letter on the tehelka scandal: "The very foundation of Government's functioning depends on people's faith and their perception about it. It is in an hour of crisis like this that the Government is expected to take immediate action to restore the faith of the people. Unfortunately, the Government so far has failed to restore this faith."

Demanding a probe by a Joint Parliamentary Committee or a sitting Supreme Court judge or the CBI, Mamata says since the entire issue was related to defence deals, all officials named in the video footage must go.

"Specific allegations have been made in the video footage and the transcript against certain highly-placed officials. The whole nation is convinced about the integrity of the Prime Minister. No bureaucrat should be allowed to tarnish that. Officials whose



MAMATA BANERJEE

names figure must be asked to go till the investigations are over," she demands.

Mamata's letter comes close on the heels of her decision last night not to attend the meeting of the Union Cabinet following tehelka's disclosures. Yesterday was the longest night for Mamata and her party colleagues. Trinamool MPs and her close confidants may have burnt their leader from putting in her papers, but the crisis is far from over.

Last night, her party MPs worked overtime to persuade her that she should observe for some time the nature of the defence 'scam' before dissociating herself from the Government. Mamata is reported to have told her MPs that she is not going to give the Government more than 72 hours to take severe action against those maligned in the scam.

Her colleagues have impressed upon her that she should not leave the NDA Government as it is unlikely to fall and there cannot be any alternative to it. This section has convinced her that resigning from the Government less than two months before the polls could give a body-blow to her campaign against the CPI(M).

BSE shakes off videotape doubts, Sensex up 184 points

HT Correspondent
Mumbai, March 14

WITH THE clouds of uncertainty seeming to fade away, the Bombay Stock Exchange's 30 scrip sensitive index looked up today and gained a massive 184.38 points for the first time since March 2, the Black Friday.

Putting the 'defence tape controversy' behind, the sensitive index climbed to 3725.03 points on renewed buying pressure from both domestic and institutional investors. The index, which opened at 3508.13 points, touched a high of 3757.12 points before closing at 3725.03 points. It gained about 5.2 per cent since it closed yesterday.

The Indian rupee, however, came under pressure from the US dollar on the inter bank foreign exchange market, closing at 46.67/68 and betraying signs of weakness.

"There is no danger to the NDA government. This tape row will fizzle out just like all earlier exposures," said Nitin Gandhi, a stockbroker.

Things seemed to be settling down for the stock market as the two leading bourses also dispelled fears of a payment crisis. "The market looks healthy now. People have now started taking positions in leading counters," said Shilpa Irani, another stock broker.

The technology stock, led by SSI Ltd, NIIT, Aptech, Zee Tele, Satyam etc rose by over 14 per cent, while old economy stocks like TVS Suzuki, Tata Power, SAIL, India Cement, ACC, BHEL, McDowell showed similar gains.

The BSE issued a statement yesterday, saying it did not foresee any payment problem in the ensuing settlement, the pay-in of which is due on March 15, 2001. The NSE said it expected a shortfall of only Rs 3 crore, which would be met by the clearing corporation without any hitch.

NDA stands united behind Govt.

15/3 By Neena Vyas

NEW DELHI, MARCH 14. The National Democratic Alliance today closed ranks and decided to stand united behind the Government, but the unity and solidarity show was all but ruined by the Trinamool Congress which not only stayed away from the NDA meeting at the Prime Minister's residence this evening but struck a separate and discordant note.

Another potential dissenting voice, that of the Lok Shakti leader, Mr. Ramakrishna Hegde, was virtually silenced as the invitation to him for the meeting was suddenly "cancelled" after he was heard telling some persons that he would demand the resignation of the Samata Party leader and Defence Minister, Mr. George Fernandes.

With one voice, the rest of the NDA, whose convenor is Mr. Fernandes himself, stated that they continued to have faith in the leadership of the Prime Minister, Mr. A.B. Vajpayee, and that they did not think any resignation of Ministers was called for. The view was that the so-called incriminating tapes mention the names of nearly a dozen Ministers and how can the NDA get rid of them all? So, the decision was that none should go.

Remarkably, the meeting was in fact "conducted" by Mr. Fernandes, who as convenor, was the master of ceremonies, despite the

general perception that his integrity stood more than compromised by the Tehelka tapes. Apparently, the Prime Minister, who chaired the meeting, was mostly silent.

Mr. Murasoli Maran, DMK leader and Minister for Commerce, who briefed the press lat-

ners thought it fit that the resignation issue should be discussed at the meeting after asking Mr. Fernandes to leave the room.

At the end of a meeting that lasted just over an hour, the conclusion was that the Government had done well to offer a "thorough probe" or any kind of inquiry that Parliament decides or what the Opposition may want by consensus. And only after guilt was established, punishment would be meted out, even as the reputation of the innocent persons would not be allowed to be tarnished. As for the tapes which showed the Samata president, Ms. Jaya Jaitly, talking to a so-called defence wheeler-dealer at the official residence of the Defence Minister, the NDA felt that it was an "internal matter of the Samata Party." The NDA had nothing to do with it.

Except the Trinamool Congress, representatives of all other allies were present. As for the Telugu Desam Party, which has been extending outside support to the Government, it has never attended NDA meetings even when invited.

Mamata's threat

NEW DELHI, MARCH 14. The Railway Minister and Trinamool Congress president, Ms. Mamata Banerjee, today threatened that her party would reconsider support to the NDA Government unless "the resignation" of the Defence Minister, Mr. George Fernandes, is accepted and the allegations made in the video footage are investigated.

In a letter to the Prime Minister, released to the press, Ms. Banerjee said that Mr. Fernandes has resigned owning moral responsibility in the highest traditions of democratic functioning. His resignation should be accepted pending investigation, she said.— PTI

er, admitted that no one sought an explanation from Mr. Fernandes and the question of his resignation was not directly discussed. Later, it was also confirmed that none of the NDA part-

Demand for resignation is political: PM

HT Correspondent
New Delhi, March 14

PRIME MINISTER Atal Bihari Vajpayee today asked Opposition parties to make out a case for his Government's resignation in the House even as the proceedings in the Lok Sabha and the Rajya Sabha were stalled for the day over the tehelka.com 'expose' of fictitious defence deals.

In an informal chat with reporters in Parliament House, minutes before leaving for an official luncheon engagement at Hyderabad House, the Prime Minister said the demand for the Government's resignation was "political".

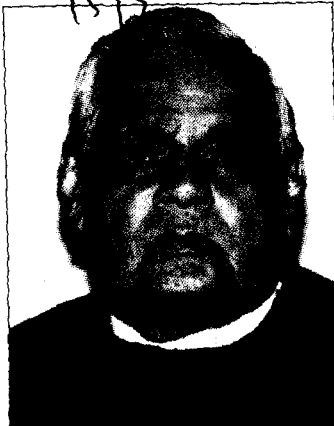
"Let there be a discussion in the House. We are prepared for it. If the Opposition can make out a case for a probe by the

Joint Parliamentary Committee (JPC), the Government will be willing to consider it," Vajpayee remarked.

Responding to a query on the allegations of some BJP and alliance leaders that the tehelka videotapes were a political conspiracy against the Government, the Prime Minister winked to say, 'Dal main kuch kala hai' (there is something fishy).

Earlier during the day, the Lok Sabha plunged into pandemonium even before the House was called to order by the Speaker, GMC Balayogi. Agitated Opposition members rushed to the well of the House demanding the Prime Minister's resignation.

Supported by several Opposition members, senior Congress MP Buta Singh shouted "Chor



ATAL BIHARI VAJPAYEE

hai, chor hai" immediately after the Prime Minister entered the House. Ruling NDA members though restrained by Parliamentary Affairs Minister Pramod Mahajan countered the

Opposition cries by hurling charges of corruption against them.

Amid the shouting and counter-shouting, the Speaker finally adjourned the House till 1 pm. However, the chaotic scenes were re-enacted as the House re-assembled leading to its adjournment till tomorrow morning.

In the Rajya Sabha, members from the Congress and the Left parties stalled the proceedings before the House could take up its business. Mohd Salim and Jibon Roy of the CPI(M) and Suresh Pachouri of the Congress were in the forefront in demanding the resignation of the Government.

Sensing the mood of the House, Chairman Krishan Kant adjourned proceedings for the day.

Opposition to hold nationwide protest

By Our Special Correspondent

NEW DELHI, MARCH 14. The Opposition parties today kept up the pressure demanding the resignation of the Vajpayee Government following the defence deals expose with the Left parties, Samajwadi Party and Janata Dal (Secular) deciding to hold a nation-wide protest on March 20.

At a meeting here today, Left Front leaders, two former Prime Ministers and the Samajwadi Party president demanded the resignation of the Vajpayee Government which was endorsed by the Rashtriya Janata Dal.

"The sordid drama exposed by Tehelka.com clearly shows the rot that has set in. Unscrupulous corruption, compromising even India's security concern clearly demonstrates that the continuance of this Government is against the interests of the country and the people. The Vajpayee Government has no right, moral or otherwise, to continue in office. It must quit immediately", a joint statement

said. These parties also decided to hold a demonstration here tomorrow at Parliament.

The CPI(M) politburo member, Mr. Sitaram Yechury, rejected the Government offer of a probe stating it could not be impartial under the NDA Government and there was little room for a discussion after the expose.

Mr. Abani Roy, of the RSP also opposed the Government's offer for a discussion or any probe. "This Government should go in the wake of the naked truth."

The CPI(ML) also joined the chorus and said the nation was not safe "even for a single day in the hands of corrupt-criminal NDA leaders."

Echoing a similar opinion, the Nationalist Congress Party said the expose showed the "ugly face of the nation's ruling elite" and said the question was not what will happen to the NDA Government but to the country if remedial and preventive measures were not taken forthwith.

The party general secretary, Mr. Devendra

Nath Dwivedi, also demanded the immediate removal of the Defence Minister, Mr. George Fernandes, the Prime Minister's Principal Secretary, Mr. Brajesh Mishra and said the Government cannot rest content by making a scapegoat of the BJP president, Mr. Bangaru Laxman.

He said Mr. Fernandes' resignation was required "not to uphold the highest traditions of Parliamentary theory but to ensure observance of the modicum standards of responsible Government."

What has been revealed is not an impropriety nor is it a case of *prima facie* evidence but of irrefutable evidence of Mr. Fernandes' and Ms. Jaya Jaitly's complicity."

Meanwhile, the AIADMK leader, Mr. P.H. Pandian, today gave notice for an adjournment motion to discuss the defence deals expose stating the disclosure had caused serious concern about the national security and that it exposed unprecedented corruption at the highest levels of administration.

THE HINDU

15 MAR 2001

Accept Fernandes' resignation: Mamata

By Neena Vyas

NEW DELHI, MARCH 14. The Railway Minister and leader of the Trinamool Congress, Ms. Mamata Banerjee, today threatened to "reconsider her party's continuing support to the NDA Government" if her demands, including resignation of the Defence Minister, Mr. George Fernandes, were not accepted.

In a three-page letter to the Prime Minister, Mr. A.B. Vajpayee, she said Mr. Fernandes had offered to resign owning "moral responsibility" in the "highest traditions of democratic functioning." But then came the sting in her letter, for she added that "his resignation should be accepted pending investigation." The letter was written after a meeting of her party MPs early this morning where all issues relating to the scandal were discussed threadbare and the strategy worked out.

It is not clear what steps she will take now, as the resignation demand has been rejected by the NDA which felt that the incriminating tapes had mentioned the names of "many Ministers" and there was no question of getting them all to resign. It is also to be seen what she does in West Bengal where she has tied up with the BJP for the assembly elections next month. With the BJP president, Mr. Bangaru Laxman (who has now resigned), caught taking money by spy cameras, she knows her rivals in the Left Front will make the most of it.

Ms. Banerjee has clearly stated

that her party would be "left with no alternative" but to "reconsider continuing support to the NDA Government" if Mr. Vajpayee failed to respond positively to her demands.

She has also pointed out that since the issue involved sensitive defence deals, "all the officials named in the video footage must not continue in office." Besides, hinting at the PMO itself, Ms. Banerjee said: "specific allegations have also been made in the video footage and the transcription against certain highly-placed officials. The whole nation is convinced about the integrity of the honourable Prime Minister. No bureaucrat should be allowed to tarnish that."

Although she did not name Mr. Brajesh Mishra, the Principal Secretary to the Prime Minister, the reference to the high official has left no one in doubt that she indeed had him in mind.

Besides, she demanded a probe by a Joint Parliamentary Committee, or by a sitting judge of the Supreme Court or the CBI. Of course, in that she was in tune with the rest of the NDA and the Government. The NDA has already said that it was ready for any kind of probe or inquiry which the Opposition may demand or agree on. Pointedly, the Trinamool leader has said that every passing hour without appropriate action by the Government was doing "irreparable damage to the image of the Government and the country internationally," and urgent and firm steps needed to be taken forthwith.

THE HINDU

15 MAR 2001

THE TEHELKA TAPES

Third front readies for Bofors rerun

FEEDBACK

Army outrage

Former army chief Gen. (ret'd) Shankar Roy Chowdhary, a sitting Rajya Sabha member, termed as "disgraceful" the involvement of army officers in defence deals, saying there was a sense of outrage in the services over the "senseless, thoughtless and dishonest actions".

"By their shameful acts they have discredited the entire organisation," Chowdhary said.

Conspiracy theory

Bangaru Laxman resigned yesterday, sending this letter to senior party vice-president Jana Krishnamurthy:

Dear Shri Krishnamurthy, I have come across a scandalous report today on the Internet website tehelka.com, which drags my name into a fictitious defence deal. This is a conspiracy to defame me, the Bharatiya Janata Party, which I served for over 30 years, and our government headed by Sri Atal Bihari Vajpayee.

The report alleging my involvement in a cooked up defence deal is totally baseless and malicious. At no point have I spoken to the Prime Minister, his principal secretary or any other official of the government about any such deal.

It seems to me that this conspiracy has been hatched by the political opponents of my party, who could not reconcile themselves to seeing that a Dalit has, for the first time, become the president of the BJP.

My conscience is clear, I am ready to face a thorough inquiry into the matter which, I am sure, will clear my name. However, pending inquiry and in keeping with the high moral standards of the BJP, I hereby offer to step down of the party. I have taken this decision after consulting the Prime Minister.

Case on 'Yogesh'

Accusing navy chief Sushil Kumar and defence secretary Yogendra Narain (Yogesh) in the Tehelka tapes transcripts of delaying proceedings on a petition challenging denial of promotion to him, Rear Admiral S.V. Purohit filed a contempt plea against them in Delhi High Court, alleging that some arms supplier had scuttled his case.

The two respondents acted "calculatedly and willingly" to make him non-suited for promotion to the rank of Vice-Admiral because "certain arms suppliers" had conspired against him, Purohit said in his application.

House uproar

The Congress government in Chhattisgarh tried to table a resolution in the Assembly "condemning the NDA government for the alleged involvement of its ministers in corruption in getting different deals through", leading to adjournment of the House for the day amidst uproarious scenes.

Home minister Nand Kumar Patel and parliamentary affairs minister Rabinendra Choubhe also tried to table a "condemnation resolution" against the Centre for "alleged involvement of its ministers in corrupt deals".

The BJP members rushed to the Well of the House levelling counter-charges against Congress for its involvement in corruption in the Bofors deal.

RSS denial

The RSS denied any links with R.K. Gupta, identified as a defence middleman and a national trustee of the Sangh parivar outfit in the Tehelka tapes. "Though known to some of our workers in Delhi, Gupta has no position in the RSS," general secretary Mohan Bhagwat said. He also denied that Gupta had spent over Rs 50 lakh to build the RSS headquarters in Delhi in 1967. "It is true that he was a contractor when some portion of the present headquarters was built. At that time the cost of the construction could be nowhere near Rs 50 lakh. As per our information, the portion of the building constructed in 1967 cost only Rs 5 lakh and the RSS spent the whole amount from its own funds," Bhagwat said.

Compiled from agency reports



Jyoti Basu in New Delhi. (PTI)

FROM MONOBINA GUPTA

New Delhi, March 14: Rising from the ashes, the third front parties have decided to launch a People's Front to strike a death blow at the crisis-ridden Vajpayee government and unleash a movement reminiscent of the Bofors storm that had flattened the Rajiv Gandhi government more than a decade ago.

"Tomorrow we will announce our plans to bring this government to its knees," Left leaders said. The preparations began this morning when the protagonist of the 1989 drama, V.P. Singh, met up

with his "natural allies" — Left stalwarts Jyoti Basu, Harkishan Singh Surjeet and A.B. Bardhan — at the CPM general secretary's residence.

It was time to build bridges with fellow traveller Mulayam Singh Yadav of the Samajwadi Party, who attended the meeting along with former Prime Minister H.D. Deve Gowda. Surjeet has spoken to Rashtriya Janata Dal chief Laloo Prasad Yadav in Patna. While MPs were jamming Parliament, their leaders were laying down the outlines of an agitation plan, which includes an all-India protest next Tuesday.

During the Bofors days, V.P. Singh had spawned Jan Morcha that became a political home for all disgruntled Congressmen.

Armed with an issue more ballistic than the Bofors gun, the third front parties once again want to get into the Bofors agitation mode that they hope will be their political mascot.

For the time being, no one in the third front is broaching the sensitive subject of drawing the main Opposition party, the Congress, into the agitation.

At the outset of today's meeting, Gowda said the third front

parties should put the past behind them. Otherwise, making common ground will be extremely difficult. Gowda said barring Left parties, all others have "sinned" and it is better not to rake up old hostilities.

The strategy so far seems to be to stall proceedings in Parliament till the government at least gets rid of tainted defence minister George Fernandes. Outside Parliament, the parties will take to the streets — the focus will be on state capitals.

Tomorrow, at a joint press conference addressed by Jyoti Basu, Singh and Mulayam, the

leaders will announce their protest programmes.

"We will proceed step by step," Left leaders said. The Congress will be kept at an arm's length outside Parliament, even though inside the House, they will plan their moves together to pin the government down.

The Left leaders have made it clear that Uttar Pradesh is the key state that can make or unmake political parties. "Without Uttar Pradesh, we have no chance of ousting the present government at the Centre. In Uttar Pradesh, Mulayam Singh Yadav is the main player against the BJP,"

a Left leader said. The Congress will come into the third front's calculations only if the political crisis deepens to a point of forming an alternative government.

"We have an alternative plan ready. But the government first has to go," Surjeet said. The strategy hinges on building up a groundswell of opposition to the NDA government before the states go to polls.

Yesterday's revelations have turned the tide for the Opposition, which is hoping to see the BJP beaten in the Assembly elections.

Mamata best bet for Cong

FROM RASHEED KIDWAI

New Delhi, March 14: The Congress is desperately trying to woo Mamata Banerjee to mark what it describes as the "beginning of the end" of the Vajpayee regime over Defencegate.

Sensing the lacklustre response from allies, the Congress is not making an all-out effort to form an alternative government as the numbers do not add up. Moreover, the Samajwadi Party, the RSP and Forward Bloc have not revised their stand that stalled a Sonia Gandhi-led government from assuming office in May 1999.

The Congress strategy is to keep the heat on the government, stall Lok Sabha proceedings, erode Vajpayee's authority and derive political mileage in case the NDA coalition succeeds in tiding over the crisis. "The BJP's image has taken a severe beating. The facade of unity cannot go on as there will be introspection, soul-searching and the Sangh parivar would intervene. But we will be in a win-win situation," a close Sonia associate said. She added that the Congress is going to make a "vision speech" during the Bangalore plenary giving a call for "new millennium, new commitment".

The main Opposition party made it clear that it will not settle for a probe by the Joint Parliamentary Committee, a no-confidence motion or a discussion under rule 184(1)(3) (which entails voting un-

less the Vajpayee regime demits office on moral grounds. Sonia today chaired a meeting of the Congress Working Committee (CWC) that passed a resolution stating that "the government has lost the moral right to continue in office".

The CWC felt that the Congress should wait a while before going for the kill. Describing the political developments as "stage one", party leaders said the government will have to take the initiative to break the parliamentary impasse. "We will not let the House run. It is the government that has to push through legislative business," a Congress floor manager said. He, however, clarified that there would be no threat to the Union and rail budgets. "The government can always get the votes on account even in the din," he said.

Realising the crucial blow Mamata can deal to the NDA by walking out on the coalition, Congress leaders Priya Ranjan Das Munshi and Kamal Nath met her today and yesterday, encouraging her to uphold "values". Party sources said Sonia was keen about Mamata's response and kept inquiring from Kamal Nath if she would be leaving the NDA.

For the first time in the recent past, Mamata is being courted by the NDA. So much so, that though Mamata has released a list of 270 Assembly candidates, Sonia is still prepared to back her if she ditches the Vajpayee bandwagon.

The Congress' interest in Mamata is also a reflection of Sonia's disappointment with the Left for joining hands with Mulayam Singh Yadav.

Aniruddha on the other side of camera

FROM AMBEREEN ALI SHAH

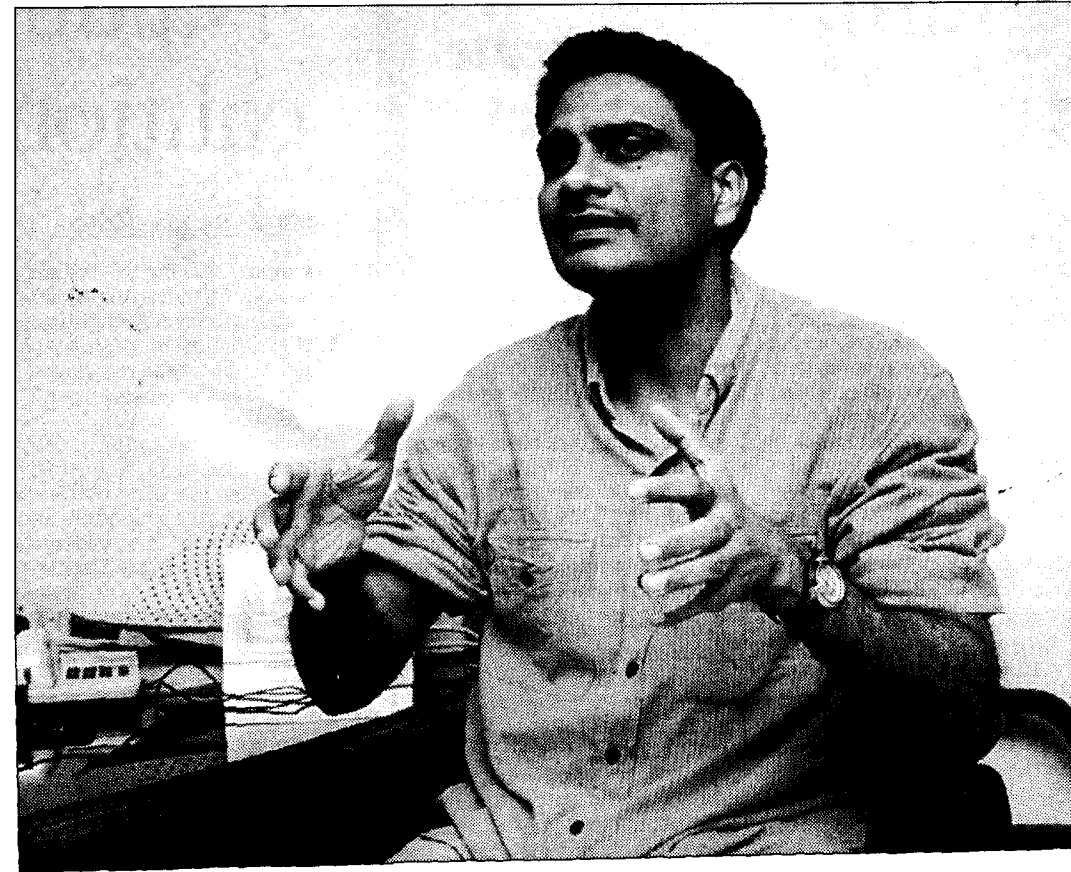
New Delhi, March 14: Since yesterday, the phones have not stopped ringing at tehelka.com's Soaninagar office here. Aniruddha Bahal takes a call. Almost immediately, his mobile trills. He looks tired, juggling between the handsets. Tired, but happy. He has many more interviews to give during the day — *New York Times*, *Time*...

He is aware of all the media interest in him and Matthew Samuel — the other undercover reporter who went videotaping the gory, secret lives of politicians, bureaucrats and the army top brass. Sitting in his small office, wearing an orange shirt and khaki trousers, Aniruddha seems reconciled to the fact that he can't escape media attention.

It all began, says Aniruddha, with the fire at the Bharatpur ammunition depot. The fire was the result of negligence. "The seed of this story was sown after the arms story in June and completed it in January."

The name of the fake firm, West End, was coined by a friend of Aniruddha's. "We thought of London as the location of the company because it sounded good. We knew these politicians would try to contact us, so we gave a friend's number. The middlemen would

FIRE IGNITED BLAZE THAT CHARRED GIANTS



Aniruddha Bahal. Picture by Ramakant Kushwaha

keep calling the number looking for us."

It was Aniruddha's idea to work on this defence expose. Since his was a known name in the world of journalism, he went to meet politicians and bureaucrats. He did most of the talking, while Samuel carried the money in an attaché. "At every juncture, we felt we would get caught, and our identity would be discovered," says Aniruddha.

He came to Delhi 10 years ago from his hometown Allahabad to

hand at all types of reporting," said Aniruddha who worked for *India Today*, *Down to Earth* and *Financial Express*. He even finished his magazine *Cricketer Talk* but it flopped. Then he joined *Outlook*, where he first broke the match-fixing story in 1997. Last year, he joined tehelka.com and shot to fame after collaborating with former cricketer Manoj Prabhakar to get to the bottom of the match-fixing business.

He then began work on another expose but it did not work out. "Not every investigation comes through," says Aniruddha. Although many are critical about the use of spycams and feel this sort of clandestine investigative reporting is not ethical, he refuses to subscribe to this view. "I have no moral qualms about the way I went about the match-fixing story and the defence expose. In fact, I am very happy that I exposed people who played around with our money for personal greed. Instead, this huge fund could have been used to eradicate illiteracy and poverty."

Smaller heads roll in defence

FROM OUR SPECIAL CORRESPONDENT

New Delhi, March 14: Smaller heads rolled as the defence ministry suspended a Major-General and three officials and a rattled army ordered a Court of Inquiry against officers shown to have accepted favours from Tehelka undercover reporters.

The decision to act swiftly was taken late last night at a meeting chaired by defence minister George Fernandes and attended by top officers and bureaucrats.

The defence ministry issued a statement this morning that following a preliminary probe, Major-General P.S.K. Choudhary, who is additional director-general of the weapons and equipment department, additional financial adviser Narendra Singh, Ordnance Factory Board staff officer H.C. Pant and army HQ assistant P. Sasi have been placed under suspension.

Three other officers shown in

the spycam as having accepted money and other favours — Maj. Gen. Manjit Singh Ahluwalia, Brigadier Iqbal Singh and Anil Sehgal — will also be suspended soon, sources said.

Maj. Gen. Ahluwalia, who was in Shimla, has reached Delhi and has been questioned by senior officers.

The other two officers are expected to arrive tomorrow. They will report to their superiors before being served suspension orders. Sources said the suspension order will stay, pending the findings of the Court of Inquiry. "The inquiry will recommend what punishment should be meted out to the officers," they said.

The inquiry will carry out a detailed investigation of the alleged corruption in the procurement of stores in the armed

forces. The purpose is to "clean up" the services and their weapons and procurement wings which, sources said, are dominated by arms brokers and middlemen.

But they are doubtful what action the government can take against the middlemen.

The careers of Maj. Gen. Choudhary and Maj. Gen. Ahluwalia appear to have virtually ended. As senior officers in charge of technical evaluation of military hardware and procurement, both officers not only passed on sensitive information to the fictitious firm peddling non-existent hand-held thermal cameras, but also accepted money in return.

Maj. Gen. Choudhary got a gold chain and Rs 1 lakh from West End for providing technical

evaluation. Initially, and during later meetings, he repeatedly asked for the company's product range "so that he could provide a helping hand in a product other than hand-held thermals".

In one meeting, he took pains to explain why it would be a problem to overturn his "no" recommendation to evaluation trials of a French product. As additional financial adviser in the defence ministry, Narendra Singh was paid Rs 10,000 by Tehelka with the request to "arrange" meetings between West End and senior army and ministry officials.

But it is Shashi Menon, senior section officer in the defence ministry, who introduced Tehelka to H.C. Pant. Pant, claims the portal, was linked to the army brass and middlemen.

In his first meeting, Menon explains how the firm should "go about" and offers to utilise his proximity to Maj. Gen. Choudhary and Maj. Gen. Shakar Prasad, director-general, infantry.

Jaya refuses to quit

FROM OUR SPECIAL CORRESPONDENT

New Delhi, March 14: After evading reporters for nearly a day following the damning Tehelka expose, Samata Party president Jaya Jaitly today told them she would not resign her post though some of her party MPs were demanding that she quit.

She also disowned party treasurer R.K. Jain and denied having taken Rs 2 lakh to help clinch defence deals as alleged by the website. Sources, however, said the NDA government is trying to make her step down as it would take the heat off defence minister George Fernandes. A BJP cabinet minister said party chief Bangaru Laxman had resigned to help Prime Minister A.B. Vajpayee cope with the crisis and that Jaitly should also step down. "There are no direct allegations against any ministers, but these two functionaries," the minister said.

Jaitly today convened a meeting of the Samata parliamentary party to discuss the fallout of the dotcom revelation. Among those present were Fernandes, agriculture minister Nitish Kumar, minister of state for railways Digvijay Singh, Prabhunath Singh, Raghunath Jha, Renu Kumari and Brahmnanand Mandal. Notable absentees were rebels like Arun Kumar, Manjiv Lal and Mahindra Baitha.

Fernandes refused to comment on the tapes, saying: "I will not make any statement on the controversy at this juncture."

Jaitly disowned Jain, her party's treasurer, saying he had ceased to hold any post since the Samata organisational polls in January. "I am not responsible for what he has talked about with the portal. Jain's personal activity cannot be construed to be authorised by the party," she said.

Jaitly said the appointment with her was not made in the name of the fictitious arms dealing firm, but in the name of Surendra Sulekha, a textile businessman she is acquainted with. She said Sulekha, who used to help her party, met her accompanied by two others she did not know.

But when someone referred today to the impending court verdict in the assets case, Laloo looked confused for a while, only to recover his wit and say: "If I go to jail, George Fernandes and Jaya Jaitly would not be far away. We will all live in the same jail together."

Laloo's exuberance stems from the fact that the Tehelka tapes have put a question mark on the integrity of Jaya Jaitly and George Fernandes when it was their party which was spearheading the oust-Laloo campaign for his involvement in the Rs 950-crore fodder scam.

Laloo stepped up attack on Prime Minister Atal Bihari Vajpayee by sympathising with Bangaru Laxman, who was shown receiving Rs 1 lakh on the Tehelka tapes.

He (Bangaru) was Dalit who was forced to resign and made a scapegoat but the bigger upper caste ones like Vajpayee and George Fernandes stuck to power ignoring the Opposition demand," claimed Laloo.

Officer's tip: Give me 10 lakh, then we will talk

The Tehelka team meets Shashi Menon, senior section officer in the defence ministry, to get an entry into the gravy train. Menon, after getting a monetary incentive, takes the reporters posing as arms suppliers, to Brigadier Anil Sehgal, deputy director in the DGOS, crucial army procurement post.

Tehelka: Sir, you have to tell us what are the things which, what we should do because this is a field...

Sehgal: This is a very vast field. It's a very, very vast field... There is an annual requirement. What I foresee at present, of present equipment of about 10,000 II tubes per year. And in the next four to five years I have not yet calculated.

Tehelka: Huge purchases. And these people who are geared.

Sehgal: I stay in the background... What I am telling you, don't discuss it with anyone. It's just between...not meant for your ears also, but then...

Sehgal: There are so many other things also which are coming in this. Like you have spares. I can

give you which spares' indent was made. I can give you the last procurement price. Generally what happens, what the scene is. They are not aware till the last minute what rate it was taken at. That I can calculate and you will also do. Everyone has been coming up with an offer. But I said, 'Look, first give me 10 lakhs, then we will talk.'

Sehgal: I can help in so many things. I will tell you where to go, whom to meet... I can show you the way...but you'll have to move on your own.

Soon enough comes a demand to be entertained in a five-star hotel. Brig. Sehgal comes there with a Lt. Col. Sharma, who is an army officer posted in the Air Force procurement section. Here, they are entertained and disclose how to proceed.

Tehelka: Sir, I want to ask another thing. One Mr B.S. Yadav, sitting in the Air Headquarters. It's a foreign cell. Sales he is dealing, I think.

Sharma: They have got their own procurement. They are basically

dealing with Russians directly.

Sehgal: This behan \$@# they've done a very smart thing. He has kept everything with him.

Tehelka: Sir, this thing you have said, this we can in this whatever you say, we can get everything done... You will only have to tell us who we should tie with and who we should knot up with, who we should tie the naada (string) with.

Sehgal: So, I will give you the details of the ammunition immediately... The biggest one.

Tehelka: Okay, okay, okay. That one. If you have understood the last line.

After enjoying the hospitality at a five-star hotel, Brig. Sehgal demands Rs 2 lakh to give further documents relating to the procurement of Hand-Held Thermal cameras and other equipment. He accepts Rs. 20,000 and a little while later another Rs. 20,000.

Tehelka: We have apologised for one thing, sir, that whatever is happening, we are going at a slow pace, but you can be assured.

[Gives money to Sehgal]

Sehgal: How much is it?

Tehelka: This is 20 (thousand), sir.

Sehgal: Whatever it contains that will increase later meanwhile. I will tell you the items, the country of origin. When your talks progress, I will tell you where the country of origin is, it's on my fingertips... I will tell you the name of the vice-chiefs, there are two vice-chiefs.

Tehelka then contacts another contact, retired colonel Sayal. He fixes a meeting with Brig. Iqbal Singh, prospective procurement officer under the master general ordinance. A few days later, Singh meets the team at a five-star hotel. He accepts Rs 50,000 in bribes and agrees to lobby with Lt. Gen. Dhillon, master general ordinance. He also impresses on the importance of lobbying with Maj. Gen. P.S.K. Choudhary, additional director-general (weapons & equipment).

Singh: You cultivate Choudhary and GSO. These two things.

Tehelka: That is my part. I will do

it. That...P.S.K. Choudhary, that is your part.

Singh: P.S.K. Choudhary. I will try, that is...he doesn't come in my chain of command.

Tehelka: Yeah. Sir, now I give you 50,000 bucks. If you need more, you ask me. I will give you, no problem.

Singh: My job is to look after MGO side. That is my department.

Brig. Singh then spells out the commission that has to be given to Gen. Dhillon.

Singh: Cultivating MGO is my problem.

Tehelka: Yeah.

Singh: But Choudhary is not my department.

Tehelka: But it is interconnected.

Singh: I will try. I will find out somebody from his country-cousin side, whether he is game or not otherwise.

Tehelka: Yeah, okay.

Singh: Dhillon, yes, that is in my power. That meeting I will organise.

Tehelka: Okay.

Singh: If it cannot be done outside, I will organise in his office.

Tehelka: No, not in office. That is a too dangerous thing.

Singh: No, then I will organise in his house.

Tehelka: Not in the office or house. Outside in Delhi. That is good.

After a while, Brig. Singh takes his little gift from West End.

Sayal: All that's fine, now whatever you have heard from Sir, you have to react to that. [to Brigadier Iqbal Singh]. He's brought a small gift for you.

Singh: (reacting to Tehelka offering him money). What for, year? ...First let your job be done.

Tehelka: No sir, this is just a gift...small gift.

Sayal: If you have a problem taking it with you, I will deliver it at your place.

Singh: Let us say I am not able to help you. Then?

Tehelka: Sir, your mind is there with us.

Singh: Mind is there, of course.

Tehelka: Okay.

[Gives him a few wads of money. Brig. Singh takes it and hands it to Sayal who picks up his briefcase in

full view of camera and puts away the money, counting and arranging it.]

Tehelka: Please, fifty thousand is there.

Sehgal then takes tehelka Narendra Singh, additional financial adviser in the Finance Ministry. In the first meeting, Narendra accepts Rs 10,000 as a token advance.

Narendra: So emergency requirements, so far it is not their our list...I will tell you three number of persons to be contacted. Contacting one person will help in MOD also. There are number of persons. One person wife holding the project... If there are any problems I will tell you, you will have to handle this person or that person.

[Narendra Singh smiles and Tehelka gives him a wad of currency notes, which Singh takes and puts under the table between them.]

Tehelka: Sir, this is 10,000 bucks. So what is my request is that, please arrange these kind of meetings. We can meet these people in Park Hotel anywhere.

Tottering Vajpayee loses twin pillars of support

FROM RADHIKA RAMASESHAN

New Delhi, March 15: Atal Bihari Vajpayee was grappling with a snowballing crisis tonight after he lost two of his most high-profile Cabinet colleagues, Mamata Banerjee and George Fernandes, in quick succession with more in the queue.

On a day one tremor after the other convulsed the political landscape, Mamata's Trinamul Congress also withdrew support to the ruling coalition.

Defence minister Fernandes quit after his department came under a cloud following the Tehelka expose; railway's Mamata pulled out to protest Fernandes' initial refusal to step down. Mamata's party colleague in the government, junior foreign minister Ajit Panja, has also quit. Their resignations have been accepted.

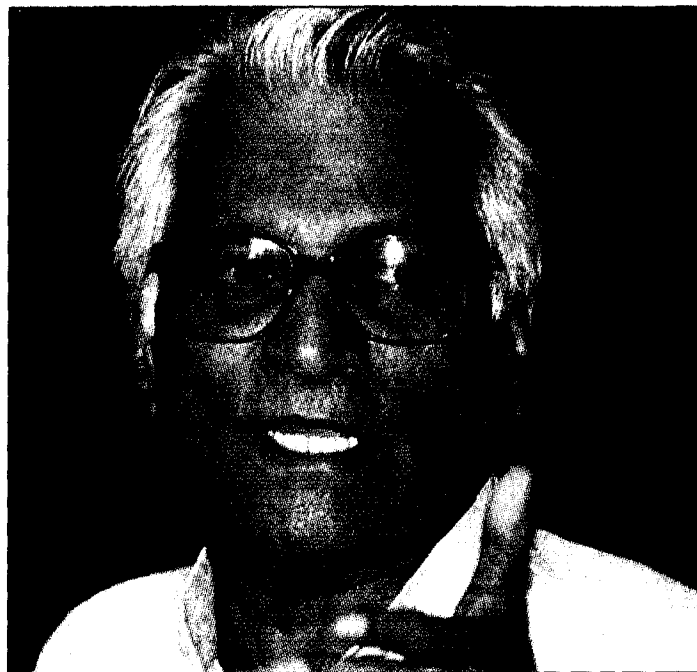
Soon after, Fernandes' Samata Party associates in the government, agriculture minister Nitish Kumar and two ministers of state — Sreenivas Prasad and Digvijay Singh — put in their papers. However, their resignations have not been accepted.

The Tehelka sting operation claimed yet another casualty as Samata Party president and Fernandes' confidante, Jaya Jaitly, relinquished office.

After a meeting late tonight, the Samata Party agreed to support the government but from outside.

The BJP sought to put up a brave front, saying Fernandes' exit will "maintain the unity" of NDA and attributed Mamata's pullout to "compulsions" of Assembly elections in West Bengal.

Vajpayee, who was forced to let go of Fernandes under pressure from both friends and foes, has lost his key trouble-shooter who could be relied upon to turn in-



George Fernandes and Mamata Banerjee. Pictures by AFP and Jagdish Yadav

transigent allies around, function as an effective convener and lend his government its much-needed secular credentials.

Mamata's exit is also a loss for the Prime Minister because, despite her tantrums, she held Vajpayee in high esteem and, even today, described him as the "leader of the nation".

After a live televised address to the nation, Fernandes handed his resignation to the Prime Minister and urged Vajpayee to order an inquiry into the allegations brought to the fore by the Tehelka tapes.

Though Fernandes' resignation was one of Mamata's conditions for staying on with the NDA, she said there was no question of returning to the government. "We have made it categorical that we are not going to rethink our withdrawal of support even if he re-

signs," Mamata said. "We told the Prime Minister's aide that we had to take this decision with a heavy heart. It is too late now."

In the morning, Vajpayee had sent his emissary Sudheendra Kulkarni to Mamata with the message that he was ready to accept any of her demands but the one for Fernandes' removal.

The furore over the scandal reached fever pitch as rival MPs almost came to blows outside Parliament. Although the govern-

ment hoped to buy peace with the Opposition after Fernandes' resignation, the Congress, at a high-level meeting at 10 Janpath, decided to continue with the protests in Parliament until Vajpayee quits.

Vajpayee is also under pressure from the BJP and the RSS to get rid of his principal secretary, Brajesh Mishra, whose name figures in the tapes.

The government is still safe in numerical terms — the withdrawal of the Trinamul brings down its majority from 29 to 20. But BJP sources conceded that the departure of the four PMK MPs in February and now Trinamul has made the government "far more susceptible" to the pulls and pressures of allies like the Telugu Desam.

Telugu Desam's Chandrababu Naidu had also demanded the resignation of Fernandes late last

night. Other allies have made it clear that they would not compromise on corruption. Janata Dal (United) leader D.P. Yadav demanded "transparency" in all business deals and asked the Prime Minister to accept Fernandes' resignation.

DMK leader M. Karunanidhi, who was silent till now, expressed his anxiety at the turn of events and said that a "seemingly small event" like Mamata's resignation was a "cause for concern".

The dramatic developments started unfolding with Trinamul passing a unanimous resolution announcing its decision to quit the NDA after Vajpayee said he would not seek Fernandes' resignation. Soon after, Vajpayee and L.K. Advani went into a huddle at the Prime Minister's residence.

■ See Pages 6, 8

QUOTE

Third front against corruption? In West Bengal, he (Jyoti Basu) is the nana of corruption

MAMATA BANERJEE

Fernandes resignation brings relief to BJP

STATESMAN NEWS SERVICE

NEW DELHI, March 15. — As

George Fernandes today submitted his resignation, the BJP heaved a sigh of relief. Several senior party leaders had wanted him to quit to stave off the crisis, but they refrained from speaking out for fear of annoying him.

The BJP described Mr Fernandes as the most honest person, who resigned to uphold public probity and the "highest democratic tradition". It was said that such a person was allowed to leave the

government, the party spokesperson, Mr Vijay Kumar Malhotra, said.

The BJP decided to stand by Mr Fernandes at a meeting of central office-bearers today. The leader of the BJP's Bihar legislature party, Mr Sushil Kumar Modi, was chided by central leaders on phone for speaking out against Mr Fernandes. Leaders were told to not to air even their private opinion against Mr Fernandes.

Some party leaders said they had hoped that his resignation would prompt Miss Ma-

mata Banerjee to rethink. The BJP, however, appeared confident that the NDA government would survive even without the Trinamul Congress which has nine members in the Lok Sabha. The NDA now has 294 members, 22 more than the simple majority mark. Mr Malhotra told the Statesman the government would not be affected by the Trinamul Congress's withdrawal. He said he hoped that she would continue to support the government.

Boosted by the arithmetics, the BJP challenged the Opposi-

sition to try to oust the government. It, however, warned the Opposition against adopting anti-democratic means.

Mr Malhotra dismissed the Opposition's demand for the government's resignation as ridiculous. The Opposition was raising its pitch as it had "tested blood" after the resignation of Mr Fernandes and Mrs Jaya Jaitly as the Samata Party president, he said.

Earlier, the BJP acting president, Mr Jana Krishnamurthy, described the Trinamul's withdrawal as "unfortunate", but stressed it would not af-

fect the government stability. He hoped Miss Banerjee would not take any step that would destabilise the government.

He said she had chosen this line probably because of her compulsions in her home state. She might reconsider her stand after the Assembly polls there.

The party vice-president in charge of West Bengal, Mr Kailashpati Mishra, said he hoped Miss Banerjee could still have some arrangement with the BJP state unit to oust the Left Front.

MAMATA SUGGESTS VRS FOR BASU

NEW DELHI, March 15. — Soon after announcing her resignation, Miss Mamata Banerjee lashed out at the Left Front which has revived the third front under Mr Jyoti Basu's chairmanship.

"Who are these people to talk about corruption? They are the masters of corruption in West Bengal," Miss Banerjee quipped when asked to comment on the relaunching of the third front.

She also ridiculed Mr Basu taking over the leadership of the people's front. "These are the people who quit citing old age. Now that want to try their hand in Delhi. It's high time these old, spent forces opt for a voluntary retirement scheme in politics," she said. — SNS

THE STATESMAN

16 MAR 2001

AKD-13
16/3

Vajpayee pressured to ease out Fernandes

By Neena Vyas

NEW DELHI, MARCH 15. The Prime Minister, Mr. Atal Behari Vajpayee, was apparently pushed into securing the resignation of the Defence Minister, Mr. George Fernandes, after several allied and supporting parties of his Government made it clear to him that his continuation in office had become untenable. Some senior BJP leaders also felt that it would be wise to get him to go.

While the Trinamool Congress leader, Ms. Mamata Banerjee, announced her decision to quit the National Democratic Alliance Government and withdraw support to it, some other party leaders had also conveyed to Mr. Vajpayee in private that the continuation of Mr. Fernandes in the Cabinet was a heavy political handicap that they were not willing to carry any longer.

The fact is that with elections due in five States, the regional parties who have to face polls next month were not at all amused by the developments at the Centre. The DMK's corruption plank against the AIADMK had been swept off by the tehelka revelations and the Trinamool was afraid that it had all but lost the Bengal elections, so it quickly tried to cut its losses by withdrawing from the NDA.

The Janata Dal(U) parliamentary party leader, Mr. Devendra Prasad Yadav, said that Mr. Fernandes should resign to facilitate an impartial probe into allegations made by the tehelka tapes. It was also significant that some local Shiv Sena leaders here had also demanded that Mr. Fernandes be dropped and had gone to the extent of suggesting to Mr. Balasaheb Thakre, Sena chief, that he withdraw support to the Vajpayee Government.

The rumblings within the Biju Janata Dal had begun even before this crisis. At the start of this session the BJD parliamentary party had passed a resolution recommending that the party withdraw support to the Vajpayee Government. The BJD had

alleged that the Centre had discriminated against Orissa in the matter of relief. Of course, although some of this was related to problems internal to the party, the tehelka scandal once again raised the issue of withdrawal of support to the Government within the party.

But more crucial was the fact that the Telugu Desam Party, without whose support the Vajpayee Government would fall, let it be known to him, tactfully, that perhaps it would be better for his Government if Mr. Fernandes was persuaded to resign.

Some senior BJP leaders, including those in government, had also begun saying this morning that there was some rethinking on this issue, and that some of them were beginning to come to the conclusion that Mr. Fernandes had now become a liability which should be shed.

Well-informed party leaders also concede that the Defence portfolio would have never gone to Mr. Fernandes but for his insistence in 1998, and then again in 1999, that he would either take this job or nothing. And at that time the thinking in the BJP was that Mr. Fernandes would be less trouble inside than outside the Government. Giving him the key Defence portfolio was considered the lesser of the two evils.

By the time the 1999 Vajpayee Government was formed the opinion in the top echelons of the party was that the Prime Minister was seen to be relying too heavily on Mr. Fernandes, whereas ideally speaking the party would have liked Mr. L.K. Advani, Union Home Minister, to be seen to be the closest to the Prime Minister and the most powerful.

The NDA meeting yesterday which rejected the demand for the resignation of Mr. Fernandes was really a manipulated meeting which Mr. Fernandes himself conducted as convener of the NDA. As Mr. Murasoli Maran, DMK leader and Minister of Commerce, stated later, the question of the resignation of Mr. Fernandes was not even discussed.

THE HINDU

16 MAR 2000

TRINAMOOOL LEAVES NDA; TDP PRESSURE TELLS

Fernandes, Mamata quit Cabinet

By Harish Khare

NEW DELHI, MARCH 15. The Defence Minister, Mr. George Fernandes, today resigned from the Vajpayee Government in the wake of the Tehelka.Com. "expose" of corruption in defence deals, while the Railway Minister and Trinamool Congress chief Ms. Mamata Banerjee, quit the Ministry and withdrew her party's support to the National Democratic Alliance Government. Another key player in the Tehelka drama, Ms. Jaya Jaitly, stepped down from the presidentship of the Samata Party.

While Mr. Fernandes announced his resignation in a national broadcast, Ms. Banerjee and her party colleague and the Minister of State for External Affairs, Mr. Ajit Kumar Panja, did so at a crowded press conference. Later, all the nine Trinamool MPs jointly addressed a letter to the Prime Minister, withdrawing their support to the NDA.

Late in the evening, the Prime Minister, Mr. A.B. Vajpayee, forwarded the resignations of Mr. Fernandes, Ms. Banerjee and Mr. Panja to the President for acceptance. However, Mr. Vajpayee has

rejected the resignations of three other Samata Ministers — the Agriculture Minister, Mr. Nitish Kumar and the two Ministers of State, Mr. Digvijay Singh and Mr. Srinivas Prasad — who had also sent in their resignations as a gesture of solidarity with Mr. Fernandes.

Unlike the Trinamool, the Samata Party remains very much part of the NDA and Mr. Fernandes would continue as its convener.

Ms. Banerjee's departure has left the Vajpayee Government in an extremely precarious position, though the BJP leadership was confident that there was no imminent danger to the NDA regime. With the Trinamool's withdrawal from the NDA, the ruling alliance's strength in the Lok Sabha stands reduced; the margin of confidence is provided, from the outside, by the Telugu Desam Party. To that extent, the ruling arrangement in New Delhi is critically dependent on the TDP.

Parliament stalled

The resignations capped a politically surcharged day. For the second day in a row, the Opposition did not allow Parliament

to function. The confrontation between the Government and its rivals became so touchy that the Opposition and the BJP MPs very nearly came to a physical stand-off outside the Parliament House.

In the evening, Mr. Vajpayee met the President, and though the spin doctors were suggesting that it was the former who chose to call on Mr. K.R. Narayanan, this version has no takers. The Prime Minister, it is believed, has found himself in a position of having to explain the current controversy.

Ms. Banerjee's departure was clearly precipitated by the George Fernandes-Jaya Jaitly duo's defiance of public opinion and by the BJP's leadership's initial inclination to give in to Mr. Fernandes' obduracy. Ms. Banerjee's hand was forced when the NDA was bullied into endorsing the Fernandes-Jaitly defiance. Ms. Banerjee and her colleagues are believed to have been stunned by the brazen defence of Ms. Jaitly mounted by the BJP Ministers and the Samata spokespersons. The Trinamool also made it clear that the party's decision to part company with the NDA would remain unaffected even if Mr. Fernandes were to resign.

However, a thoroughly ambivalent Mr. Vajpayee was unable to appreciate Ms. Banerjee's compulsions, who has to face an election in a few weeks from now; she could no longer afford to be seen as part of a political regime that chose to remain unapologetic and unconcerned in the wake of the Tehelka disclosures. In a move calculated to force his hand, Ms. Banerjee's letter exhorted Mr. Vajpayee to take a firm stand against the Fernandes-Jaitly duo: "The image of our Prime Minister must not be allowed to be tar-



The Trinamool Congress chief, Ms. Mamata Banerjee, addresses mediapersons after withdrawing support to the NDA Government, in New Delhi on Thursday. To her right is her party colleague Mr. Ajit Kumar Panja, who has also resigned as Minister.

— Photo: Shanker Chakravarty

nished in any way. We strongly feel that the Prime Minister should be given free hand to initiate strong action to uphold the transparency and morality in the Government."

Ms. Banerjee's message was privately reinforced and endorsed by the key ally, the Telugu Desam. The TDP leader, Mr. Yerran Naidu, is believed to have met Mr. Vajpayee and conveyed the party's strong feeling that there was no choice but to ask the Defence Minister to go. The Janata Dal (United) also joined in this process of private persuasion.

Fernandes pressured

While the Vajpayee regime and the BJP spin doctors continued with the public pretense of indifference, even aggression, to the Opposition's demands of ethical

and moral questions in the Tehelka exposure, privately the pressure was building up on Mr. Fernandes to resign.

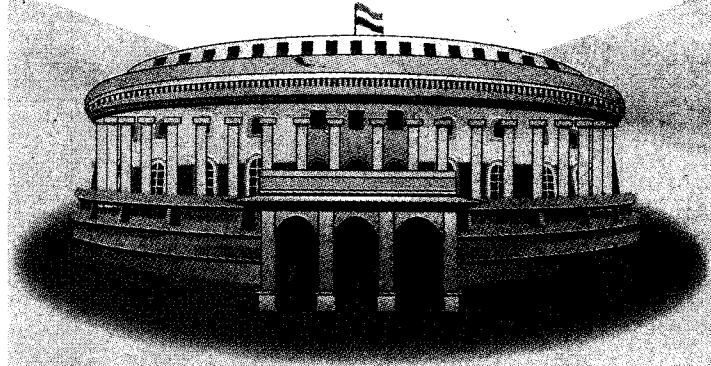
Though it remains uncertain whether the Prime Minister directly asked Mr. Fernandes to put in his papers. Till the end, Mr. Vajpayee remained very mindful of Mr. Fernandes' critical and crucial role in the NDA arrangement, and never asked for his resignation. It was left to the operatives belonging to the BJP and the allies to convey to the Fernandes-Jaitly duo to help the Prime Minister cut the NDA's political losses. A number of BJP leaders like Mr. Arun Jaitely, Mr. Venkaiah Naidu and Mr. Narendra Modi visited Mr. Fernandes' residence to express their sense of gratitude.

More reports on Pages 13, 15

PARTY POSITION IN LOK SABHA

Total Seats: 545

BJP.....	181	Lok Tantrik Cong.....	2
INC.....	112	CPI.....	2
CPI(M).....	33	Forward Bloc.....	2
TDP.....	29	ML Kerala.....	2
Samajwadi Party.....	26	Rashtriya Lok Dal.....	2
Shiv Sena.....	15	SAD.....	2
BSP.....	14	Majlis.....	1
DMK.....	12	BBM.....	1
JD (Samata).....	12	CPI(ML-L).....	1
AIADMK.....	10	Himachal Vikas Cong.....	1
BJD.....	10	JD(Secular).....	1
Trinamool Congress.....	9	Kerala Cong.....	1
NCP.....	8	Kerala Cong. (M).....	1
RJD.....	7	MGR-ADMK.....	1
JD(United).....	6	MSCP.....	1
INLD.....	5	PAWPI.....	1
PMK.....	5	SAD(M).....	1
NC.....	4	SDF.....	1
Lok Jan Shakti Party.....	4	SJP(R).....	1
MDMK.....	4	Independent.....	6
RSP.....	3	Vacant.....	5



Graphics by Varghese Kallada

Fernandes defends key deals

By Atul Aneja

NEW DELHI, MARCH 15. While submitting his resignation as Defence Minister, Mr. George Fernandes today sought to counter allegations of impropriety in the various defence deals signed during his tenure.

In a statement read out on Doordarshan this evening, Mr. Fernandes specifically referred to the multi-core Barak anti-ship missile contract, the Advanced Jet Trainers (AJTs) deal under negotiation, and the upgradation contract of the 130 mm artillery guns to 155mm caliber by an Israeli firm.

Countering the Tehelka.com videotapes, Mr. Fernandes said he did not overrule the former Scientific Adviser, Mr. A. P. J Abdul Kalam, to promote the Israeli Barak system. According to the tapes, Mr. Kalam had advocated the induction of the indigenous Trishul surface-to-air missile, undergoing trials, for a number of

new warships which are in the process of being commissioned in the next few years.

Mr. Kalam had indeed concurred with the selection of the Barak system as the Trishul missiles were still unavailable and the Navy had renewed demands for a ship-borne system to counter in-coming missiles.



Besides, Mr. Fernandes ap-

pears to have skirted the thrust of Tehelka's allegation. The Tehelka tapes do not analyse the merits or otherwise of the Barak system. Instead they point to the role of the middleman, Mr. Suresh Nanda, in facilitating the deal by handing over money to the Samata Party president, Ms. Jaya Jaitly, through the party treasurer, Mr. R.K Jain.

While denying any wrong-do-

ing, Mr. Fernandes, in his address, took the credit for pushing the stalled negotiations for the AJTs for the Indian Air Force. He took the initiative of broadening the choice for the AJT by including the Russian MiG- MAPO aircraft, presumably the MiG-AT in the competition list. Mr. Fernandes, however, did not address the basic Tehelka charge that the MiG-MAPO firm had been persuaded by Mr. Jain to part with a 10 per cent commission in case the deal was concluded.

Mr. Fernandes denied the allegation related to the induction of 250 Armoured Recovery Vehicles from a Slovakian company.

Details on Page 15

Atal tries to gather fallen pieces

FROM KAY BENEDICT

New Delhi, March 16: After staggering from one crisis to another triggered by the Tehelka revelations, the government appeared to have got its damage-control act together by taking a series of steps.

It announced the appointment of a one-man commission of inquiry, preferably headed by a sitting Supreme Court judge, to probe the Tehelka disclosures and submit its report in four months.

But the main Opposition party, the Congress, described the move as "pointless and diversionary tactics", sticking to its demand for Prime Minister Atal Bihari Vajpayee's resignation on moral grounds.

More worryingly for Vajpayee, the RSS today issued a certificate of "truth" to the contents of the Tehelka tapes and asked the government to clean up the administration. Its stamp of sanctity on the revelations stood in sharp contrast to tales of conspiracy floated by the government.

As part of crisis management, Vajpayee convened a meeting of coalition partners who expressed "full faith" in George Fernandes and approved his "reappointment" as convener of the National Democratic Alliance.

This was aimed at placating Fernandes as well as other ministers of the Samata Party who resigned after he quit as defence minister yesterday. Fernandes himself undertook the task of persuading them to withdraw their resignations.

Getting the Samata Party to fall back into line had become important after angry colleagues of Fernandes today openly demanded the removal of the Prime Minister's principal secretary, Brajesh Mishra, and cast aspersions on Vajpayee's son-in-law Ranjan Bhattacharya, both of whose names figure in the Tehelka tapes. Fernandes dissociated the party from this view.

After a one-hour meeting, the alliance partners expressed solidarity with Vajpayee and ap-



Atal Bihari Vajpayee with George Fernandes in New Delhi on Friday. (Reuters)

pealed to the three Samata Party ministers — Nitish Kumar, Digvijay Singh and V. Sreenivasa Prasad — to recall their resignations. But Nitish Kumar was still belligerent.

The NDA meeting also ruled out the resignation of any member of the Prime Minister's Office. But the Prime Minister may have to yield some ground here under pressure from sections of his party and the Sangh parivar.

Brajesh Mishra is the target. So is N.K. Singh, officer on special duty. Ranjan Bhattacharya's name appears in the tapes but, as the RSS said today, one cannot be held responsible for the actions of one's son-in-law.

At the end of a day of efforts to

regain some credibility, the Prime Minister went on television to tell the nation that the tapes did not have any evidence to suggest the involvement of ministers in deal-making, but at the same time spoke of the cancer of corruption that has spread deep and wide.

Certain that no party — the Opposition included — wants an election now and that there is no alternative to a BJP-led dispensation, the government is also planning to move a confidence motion next week to blunt the Opposition demand for its resignation, provided all the allies agree.

Sources said the Prime Minister wanted to move a confidence motion immediately. But civil aviation minister and Janata Dal

(United) president Sharad Yadav told Vajpayee to go slow. The Prime Minister is expected to talk to other NDA leaders like Chandrababu Naidu, M. Karunanidhi, Bal Thackeray and Om Prakash Chautala before making up his mind.

What buoyed the shellshocked Vajpayee camp was the let-up in the heat turned on by the Opposition and its dignity. Even while insisting on Vajpayee's resignation, Congress spokesman Jaipal Reddy conceded at the plenary venue in Bangalore that the party did not wish to challenge the government's "numerical" strength.

Many Opposition leaders feel the government should last at least till the Assembly elections.

Some Congress MPs, sources said, even told RJD leader Raghuvansh Prasad Singh not to go beyond a point in attacking the government.

After a Cabinet meeting, the government announced the terms of reference of the inquiry.

- Probe transactions mentioned in the tapes and transcript;
- Find out if illicit gains have been made and, if so, to what extent;
- Suggest action against the guilty; and
- Investigate all aspects related to making of the allegations in the tapes.

The last clause means Tehelka will be probed.

■ More reports on Page 6

Tied up in knots of fact & fiction

FROM OUR SPECIAL CORRESPONDENT

New Delhi, March 16: Prime Minister Atal Bihari Vajpayee sounded a shade unconvincing as he took pains to send the message to the people that the Tehelka sting operation had shaken, but not really shattered his government.

In his address to the nation this evening, Vajpayee contradicted himself when he tried to write off the investigation by the news portal as "fictitious" while admitting that the "cancer" of corruption had spread its tentacles deep into the administration.

The Prime Minister chose the timing of his speech carefully. He faced the nation only after resignation papers had been put in by his defence minister George Fernandes, whose department had come under a cloud following the expose.

At the same time, Vajpayee also managed to humour Fernandes by retaining him as convener of the National Democratic Alliance. After the exit of Mamata Banerjee's Trinamul Congress yesterday, Vajpayee had to ensure that all remaining allies were steadfast in their support for his government and they too accepted Fernandes as the NDA convener.

The Prime Minister wanted to send the message through his speech that he was in control of the situation despite the crisis.

Vajpayee's thinktank had calculated that after 72 hours, the expose may have lost some of its sting and it was politically prudent to let the Prime Minister face the nation and pledge that the administration would be cleansed.

But the Prime Minister appeared a bit wooden, even a trifle

battered and bruised, as he spoke.

Vajpayee sought to allay fears that the country's security system had been infiltrated with impunity. But in doing so, he could only admit that corruption was a deep-rooted malaise that has afflicted the system for a long time.

In effect, Vajpayee could no longer project his government as one that was different from earlier regimes.

The Prime Minister did not sound entirely credible when he said his "government shall do everything necessary to bring everyone guilty to account, howsoever high or low".

After the videotapes showed the murky dealings of senior politicians, Vajpayee's claims that "the country's security apparatus remains strong as ever and that our soldiers retain the fullest confidence in it" did not carry the desired conviction.

Promising to clean up the dirt, he attacked the Opposition for stalling proceedings in Parliament. "Let us begin the inquiry. Let us have a thorough discussion in Parliament. Let us get back to work," he appealed.

But the defensive tenor was more than evident. He admitted that "what had come into view went beyond security. The ease with which persons posing as arms merchants gained access to our defence personnel and politicians shows how far the cancer has spread".

He tried to play down the investigation by suggesting that hurling such allegations was "criminal" and "giving heed to them was just as destructive". But there was no explanation why he was ordering a probe if the allegations did not warrant any attention.

'I SHALL GET TO THE BOTTOM OF ALLEGATIONS'

Vajpayee orders judicial probe

By Harish Khare

NEW DELHI, MARCH 16. The Prime Minister, Mr. Atal Behari Vajpayee, tonight announced an inquiry by "a sitting or a retired" judge of the Supreme Court in the "teheka tapes" allegations. The inquiry is to be completed in four months.

The formal announcement by the Prime Minister came in a national broadcast, during which Mr. Vajpayee invoked the theme of "national security" and "morale" of the armed forces, as the rationale for clearing doubts about the integrity of decision-making in arms purchases. "Decision-making in the Ministry of Defence must not become a shuttlecock tossed between allegations and explanations," he observed.

In an effort to bolster the credibility of the Government's decision, Mr. Vajpayee felt constrained to encash his personal popularity, in defence of his tainted colleagues. In the very beginning, Mr. Vajpayee referred to his 52 year-long public life and observed "at no point have such allegations have been made against my colleagues". And, towards the end, Mr. Vajpayee, again, told the countrymen, "you have my word" that "I shall get to the bottom of the allegations which have been made".

Mr. Vajpayee's broadcast was an exercise in appealing to the countrymen to believe in the sincerity and reasonableness of the Government's response to the allegations and insinuations in the teheka tape. The idea seemed to put pressure on the

Opposition to come back to Parliament and debate the issue. The Prime Minister ended his broadcast with an exhortation: "Let us begin the inquiry. Let us have a thorough discussion in Parliament. Let us get back to work."

But not withstanding that the decision on a judicial probe was being insisted upon by the key NDA partner, the Telugu Desam, the political message throughout the day the Prime Minister and his colleagues sought to convey was that they stood by Mr. George Fernandes. The Prime Minister was almost reverential towards his former Defence Minister, saluted him as "my esteemed, a stalwart of the NDA".

Having watched passively Ms. Mamata Banerjee yesterday create a situation that forced Mr. Fernandes' resignation, the entire NDA leadership applied itself to mollifying the former Defence Minister. A formal meeting of the NDA was convened, and as per Mr. Fernandes' preference, it was unanimously decided to recommend to the Government to appoint a sitting judge to probe.

Not only this, the NDA reiterated its full confidence in him as its convener and Mr. Mahajan called him "one of the best Defence Ministers" the country has had. Also, Mr. Mahajan shared the Union Home Minister, Mr. L.K. Advani's hope that Mr. Fernandes would be back in the Government in "five, six months". Whatever the formal terms of reference of the Inquiry Commission, as far as the NDA bosses are con-

cerned, the former Defence Minister has to be declared innocent.

An hour later, the Union Cabinet met and dutifully and formally accepted the NDA suggestion of a probe by a sitting judge. The inquiry would take place under the Commission of Inquiry Act of 1952. The Chief Justice of India would be requested to name a judge. On the other hand, the Opposition remained unpropitiated even after Mr. Fernandes' departure from the Union Cabinet. The two houses of Parliament remained disrupted as a determined Opposition insisted on the Government's resignation, leaving the Chair no choice but to adjourn till Monday morning.

An element of political excitement was added by Mr. Fernandes' acolyte, Mr. Prabh Nath Singh, Samata Party MP, who demanded that the two senior most prime ministerial aides, Mr. Brijesh Mishra and Mr. N.K. Singh (whose names also figure in the teheka tapes) be given the boot. Mr. Prabh Nath Singh's demand was widely seen as having Mr. Fernandes' blessings. The hint of blackmail and intimidation was obvious.

But after having secured his pound of flesh by way of the NDA's formal vote of confidence, Mr. Fernandes this evening formally dissociated himself and his party from the demand for cleansing of the PMO. "It is not a Samata Party demand that anyone should quit from the Prime Minister's Office," he told reporters.

It was also clear that the political man-

agement on behalf of the Government appeared to have passed into Mr. L.K. Advani's hands. The idea of a probe by a sitting judge of the Supreme Court emerged from the discussion Mr. Advani had this morning with other BJP Ministers and leaders at the Parliament House. Among those who attended the brainstorming session included Mrs. Sushma Swaraj, Mr. Arun Jaitely, Mr. Narendra Modi (BJP general secretary), Mr. Madan Lal Khurana, Mr. Kanshi Ram Rana and Mr. V.K. Malhotra.

Earlier in the morning, Mr. Advani shared his ideas and breakfast with Mr. George Fernandes when the former Defence Minister came to call on him.

Earlier, the President had accepted, on the advice of the Prime Minister, accepted the resignations Mr. George Fernandes, Ms. Mamata Banerjee, and Mr. Ajit Panja from the Council of Ministers. But the Rashtrapati Bhavan communique is silent on replacements — permanent or temporary — in these slots vacated by the three Ministers.

The Prime Minister has refused to accept the resignations of three other Samata Ministers — Mr. Nitish Kumar, Mr. Digvijay Singh and Mr. Srinivas Prasad — who had also resigned from the Government in a gesture of solidarity with Mr. Fernandes. Mr. Nitish Kumar did not attend the Cabinet meeting this evening.

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THE HINDU

15 MAR 2001

2001

Navin reassures support

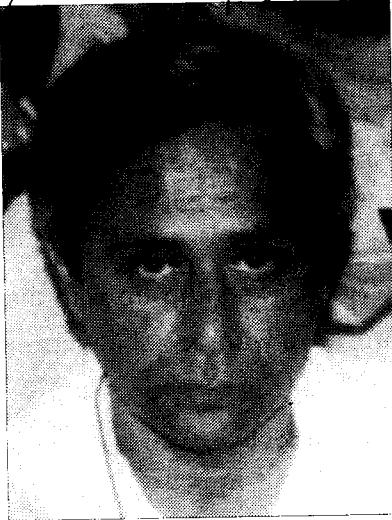
STATESMAN NEWS SERVICE

BHUBANESWAR, March 15.
- The Biju Janata Dal president and chief minister, Mr Navin Patnaik, is believed to have reassured Mr Atal Behari Vajpayee today that his party was committed to continuing its support to the NDA government.

With the Tehelka tapes controversy affecting all NDA constituents and rumblings of review of support being voiced by a section of the BJD here, Mr Patnaik is said to have spoken to the Prime Minister this evening.

Reliable sources here told The Statesman that Mr Patnaik had reaffirmed the BJD's continued support to the NDA government.

The demand for review of support voiced by some BJD MLAs here and speculations that a



Mr Navin Patnaik

section of the BJD MPs in New Delhi also share the same view had apparently necessitated the telephonic talk between Mr Patnaik and Mr Vajpayee.

Speculations were rife in BJD circles here with legislators and ministers discussing the fallout of Tehelka tapes, withdrawal of Miss Mamata Banerjee's Trinamul Congress from the NDA, resignation of Mr George Fernandes and the attempts to forge a third front.

Some of them were apprehensive that the Orissa Gana Parishad leader, Mr Bijoy Mohapatra, who had left for New Delhi was in touch with a section of BJD MPs.

They said even BJP leaders at the Centre were worried. They were in constant touch with some BJD MPs to keep track of the developments.

THE STATESMAN

17 MAR 2001

'NDA govt. will fall under its own contradictions'

By Anita Katyal

The Times of India News Service

BANGALORE: While the Congress party's two-day plenary session, beginning here on Saturday, will seek to firm up its response to the fast-changing political scenario in Delhi, the general view so far has been that the Congress should not be seen to be toppling the Vajpayee government, but must let it fall under the weight of its own contradictions.

A meeting of the extended Congress Working Committee (CWC), which continued till late on Friday night was called ostensibly to finalise the resolutions that the plenary is to adopt but the developments in Delhi dominated the discussions. These "abrupt and fundamental changes," as one leader said, will be reflected in the party's political resolution to be adopted at the session.

Senior party leaders admitted that they were being constantly overtaken by events, which was making it difficult for them to for-

mulate a structured strategy for the theleka expose and its impact on the NDA government. For instance, they said, though they expected Trinamul Congress chief Mamata Banerjee to leave the NDA, they were not prepared for the sudden change of mood in the Samata Party.

Enunciating the party position, Congress spokesperson S. Jaipal Reddy reiterated their demand that the Vajpayee government quit on moral grounds and that nothing short of this would satisfy them. At the same time, the party does not want to be seen to be pulling down the government. "We have done nothing and we will not do anything to destabilise the government, we want it to go under the weight of its own contradictions," he declared, adding they had not been in touch with any NDA ally.

The Congress party is also hoping that the beleaguered Vajpayee government will not collapse soon. That will provide the Congress an ideal opportunity to mount a mas-

sive public campaign against the NDA government to discredit it even further.

"What we require is to launch the kind of sustained campaign the then opposition had done on the Bofors issue," commented one senior Congress leader. Clearly, upbeat about the turn of events, the Congress will use the plenary session to kickstart this campaign against the NDA government, which will then be carried forward during the election campaign in next month's five assembly elections. This would also provide an opportunity to the Congress party to see if it can capitalise on this further and come to power on its own.

Although the Congress would ideally like to see that a discredited Vajpayee government continues in power for its campaign to have an impact, it is not clear how it will respond in case the Vajpayee government does fall sooner than expected. "We will cross that bridge when we come to it," said Mr Reddy. The party's position, it was stated,

would also depend largely on how the government goes and how the situation then develops.

Although no Congress leader is admitting to it, the party is clearly wary of aligning with the erstwhile Third Front, now rechristened as People's Front. The party has not forgotten how the Samajwadi Party leader backed out of supporting a Congress-led government the last time. The party is also aware that the sudden frenzied activity in the "Third Front" is basically an attempt to upstage the Congress and place itself in a dominant position just in case the government does fall soon.

In addition, another factor has also come into play. Now that an alliance with Ms Banerjee in West Bengal has become a distinct possibility, this will introduce an element of tension in the Congress party's relations with the Left parties at the Centre. For the record, however, Mr Reddy maintained that since the People's Front comprises secular parties, they cannot be unfriendly towards it.

THE TIMES OF INDIA

17 MAR 2001

Samata Ministers may relent

By Our Special Correspondent

NEW DELHI, MARCH 17. Efforts are on to persuade the three Samata Ministers — Mr. Nitish Kumar, Mr. Digvijay Singh and Mr. V. Sreenivasa Prasad — from pressing their resignations from the Union Council of Ministers.

The Ministers, who put in their papers shortly after Mr. George Fernandes resigned as Defence Minister, are sticking to their stand, stating they would not return to office till the judicial probe ordered by the Government was completed.

There are indications that the Ministers could relent after the party's parliamentary wing meets next week to review the situation in the wake of an appeal by the

NDA. Mr. Fernandes also urged the Ministers not to persist with their resignations. Another NDA ally, the Janata Dal (United), asked them to reconsider, stating that there was no need for Mr. Fernandes to resign on the basis of "fictitious charges". It also said NDA partners had to fight the "high-level conspiracy".

The party spokesman, Mr. Mohan Prakash, said if the Opposition continued to stall Parliament proceedings even after the Prime Minister's announcement of a probe, it would go on to show that they were against the truth coming out.

Meanwhile, the Samata Party spokesman, Dr. Shambu Shrivastava, today asserted that even though the Ministers had re-

signed, it would not affect the NDA-Samata relations. "The Samata Party will continue to work for strengthening the NDA and see to it that attempts to destabilise the alliance does not succeed." Asked to comment on the outburst of two Samata MPs against officials in the PMO, he said Mr. Prabhunath Singh and Mr. Raghunath Jha had expressed their individual views, which were not shared by the party.

THE HINDU

18 MAR 2001

NDA allies under public pressure to quit, says CPM

BY SHAHID FARIDI

AA-3.
New Delhi, March 17: The People's Front on Saturday said the constituents of the ruling National Democratic Alliance are under "tremendous public pressure to quit the NDA and there was no way the government could survive."

"The allies have to review their stand on the revelations of corruption in the government. The impact of the expose in the public is tremendous. The allies know if they do not react, their mass base will be lost. One is gone, many others will soon follow suit. This government has to go," CPI(M) general secretary Harkishan Singh Surjeet, the key person behind the formation of the People's Front, told *The Asian Age* here on Saturday. He said the People's Front will launch a nation-wide agitation to force the resignation of this "communal and pro-rich government which is also a threat to the national security." The newly-formed non-BJP and non-Congress front would launch the mass agitation programme from March 20.

Mr Surjeet also welcomed the change in Congress stand on forming coalition government and its

18/3
decision not to denationalise banks, privatise public sector companies which have a record of consistent profit-making.

"It is a welcome sign" that the Congress has not harped on one-party rule at the Centre, Mr Surjeet said. People's Front chairman Jyoti Basu had earlier said that the front could consider working with the Congress "if it changed its policy."

The change in Congress stand on important economic issues is being seen as a signal to the prospective allies that as the largest Opposition party, the Congress is willing to take the concerns of other Opposition parties into consideration.

All the Opposition parties had expressed strong opposition to the present government's decision to privatise banks and other government companies. The Opposition parties are firm in their resolve not to allow Parliament to function until the government resigned. They said their protest against the government would continue within and outside Parliament.

"The House will remain paralysed till the government resigns. The entire government, including the Prime Minister's Office and his family members are steeped in corruption," he said.

THE ASIAN AGE

9 8 1997

Mamata will abstain in a trust vote

*HT Correspondent
Kolkata, March 17*



MAMATA BANERJEE

MAMATA BANERJEE may have pulled out of the NDA, but she won't vote against the Vajpayee Government in Parliament.

The Trinamool Congress will abstain from voting if a confidence motion is moved. Mamata, who believes the Government is under no threat from the Third Front, still has "full faith in our Prime Minister".

"The Trinamool is a sober and reasonable political outfit, so our withdrawing from the NDA should not misinterpreted. But we believe that a Government should be transparent and clear."

"We want Prime Minister Atal Bihari Vajpayee to clean up the mess as soon as possible. In this hour of crisis, the Government should talk and also listen instead of closing its doors. It was our moral duty and political compulsion that led us to leave the NDA. But this shouldn't be seen as betrayal," she said.

She regretted, however, that nothing meaningful whatsoever has come out of NDA discussions on the teliha expose.

"Steps should be taken to

the Cabinet of the Prime Minister "cleans" up his Government, as she has demanded.

She would not talk about possibilities of a tie-up with the Congress either. She insisted that she had not got in touch with the party, nor had any Congress representative approached her with an offer.

Trinamool insiders said Mamata was keen to retain the alliance with the BJP and that she wanted the seat-sharing arrangement with the party to remain.

Mamata Banerjee is not in a position to form an electoral alliance with the Congress, which has an alliance with the CPI(M) in Tamil Nadu and Assam. She is also reluctant to form ties with a party that is linked to the "corrupt" RJD headed by Laloo Prasad Yadav.

"If the Trinamool joins hands with the Congress that is a natural ally of the CPI(M), then the basic anti-CPI(M) plank on which the Trinamool was fighting would be destroyed."

"First, the Congress must disassociate itself from the corrupt elements and also the CPI(M) before our talks begin," a Mamata confidant said.

**HT Correspondent
Kolkata, March 17**

IN A climbdown from its stand to contest from all 294 seats in West Bengal, the BJP today said it would field candidates from the 39 constituencies agreed earlier. The party, however, has come up with a fresh demand—20 new seats in exchange for weak ones offered by the Trinamool.

According to party sources, the BJP election committee today asked the party to be prepared for any eventuality and be ready to go all alone if necessary, endorsing decisions already made by the BJP state secretary at. BJP State unit president Ashim Ghosh said in view of contradictory statements made by some Trinamool leaders on the alliance, the Trinamool should now make clear its position. He felt since Mamata Banerjee had pulled out of the NDA on her own, a clarification from her is due. "She may have come out of the NDA, but there is still a ray of hope in keeping the alliance intact. It will all depend on the Trinamool response," he said admitting that the alliance had received a setback.

Briefing reporters at the end of a stormy election committee meeting, Ghosh said that they had decided to swap weak seats for sure-win ones. "We do not want more than 39 seats, but we want seats where we have better winning chances," he said.

Ghosh said despite reservations they had agreed on 39 seats, which is only 13 per cent of the total Assembly seats, only to strengthen the anti-CPI(M) front.

Ghosh said that only 16 of the 39 seats offered by the Trinamool, could be termed as good seats in electoral terms. Sources said, a new list of constituencies favoured by the BJP was drawn up at today's meeting, in which they sought exchange of over 20 seats. For instance, in Kolkata, the BJP has now staked claim to either Jorabagan or Jorasanko seat, even though in the earlier list only Burrabazar was offered to the BJP. Ghosh president admitted that Trinamool's political alliance with the BJP after quitting the NDA would send confusing signals to the people. "A positive response from the Trinamool is all the more necessary and both of us need to convince the electorate," he said.

BJP backtracks on seats

Worst Govt.: VHP

By Neena Vyas

HD-1
NEW DELHI, MARCH 17. The Vishwa Hindu Parishad, one of the outfits of the RSS, has described the Vajpayee Government as "the worst government". Without directly saying that it was time for it to pack up its bags, the suggestion was there.

"One can no longer expect to see rulers like Ram who were ready to give up their throne," the senior VHP leader, Mr. Ashok Singhal, told Aaj Tak, a television channel, yesterday during a short interview on the sidelines of the RSS national council meeting being held here.

Asked about the tehelka scandal, Mr. Singhal's comment was: "We in India have the best people, but the worst government

and the worst politicians.

Yesterday, the RSS had described former BJP president, Mr. Bangaru Laxman, as a "failed swayamsevak", and although the parent organisation of the BJP and the VHP had chosen not to attack the Prime Minister, it also chose not to defend his Principal Secretary, Mr. Brajesh Mishra, and the foster son-in-law, Mr. Ranjan Bhattacharya.

Party insiders, especially those close to the RSS, confirm that Mr. Mishra and Mr. Bhattacharya have not been hot favourites with the RSS. In fact, some people close to the BJP believe that over the coming days and weeks the pressure on the Prime Minister to get rid of his aides will become stronger from inside the Sangh Parivar.

THE HINDU

18 MAR 2001

Govt. to go in for vote-on-account

By Neena Vyas

NEW DELHI, MARCH 19. With the Government reconciled to the fact that the rest of the first phase of the budget session of Parliament is lost, it has decided to get the crucial vote-on-account approved by the Lok Sabha tomorrow and the Rajya Sabha on Wednesday, even if it means getting these through amidst the din and noise of protests and counter-protests by Opposition and treasury benches.

The Opposition having decided to continue to press for the resignation of the Government and not to allow any business to be conducted till Friday, March 23, when Parliament will adjourn for a month-long recess. The treasury benches have also given up on trying to get Parliament going. There has been no all party meeting to get the issue resolved. As one Minister put it, "what can we talk about when all that they, the Opposition, say is that we should pack our bags?"

Today, Parliament was like all days since last Tuesday when the thelka scandal broke out. Both the Houses were adjourned soon after shouting and counter shouting by the Op-

position and treasury benches — in the Rajya Sabha, a short obituary reference was allowed — and then the opposing groups gathered on the steps of Parliament and continued their shouting match for well over half an hour before dispersing.

A plea made by the Human Resource Development Minister, Dr. Murlu Manohar Joshi, that it was time all parties got together and work out a national consensus for "cleansing the system" fell on deaf ears.

During the day, Opposition party leaders — Mr. Somnath Chatterji (CPM), Mr. Mulayam Singh Yadav (Samajwadi Party), Mr. P. H. Pandian (AIADMK), Mr. Sharad Pawar (NCP), Ms. Kanti Singh (RJD), Mr. G. M. Banatwala (Muslim League) and some others — met and decided they will continue to press for the government's resignation. The point they are making is that since some of the actors in the thelka tapes have been caught "red-handed" there is no need for an inquiry because the guilt has been established prima facie.

The PMK, which has not very long ago crossed the floor over to the AIADMK, has also assured that its MPs will be with the opposi-

tion. Separately, the Congress Party has also made it clear that it is not satisfied by the ordering of an inquiry by a retired Supreme Court judge, that the Vajpayee government is guilty of having compromised national security, and it must go.

Government sources indicated that since the Congress Party has already let it be known that it will not come in the way of allowing Parliament to approve the Railways and the general vote-on-accounts, it was decided not to leave this important work for the last couple of days.

As of now, the plan is to present at noon tomorrow in the Lok Sabha the Railways supplementary grants and the appropriation bill for this year first and then the vote-on-account to allow the Railways to withdraw money till the Railway Budget is passed in May. A similar exercise will be done for the general account — supplementary grants, appropriation bill and the vote-on-account. The entire exercise is expected to take at most half an hour, and then the day after (Wednesday) it will be repeated in the Rajya Sabha.

Atal Govt on recovery mode, gains strength

Shekhar Iyer *HT-1*
New Delhi, March 19 *2013*

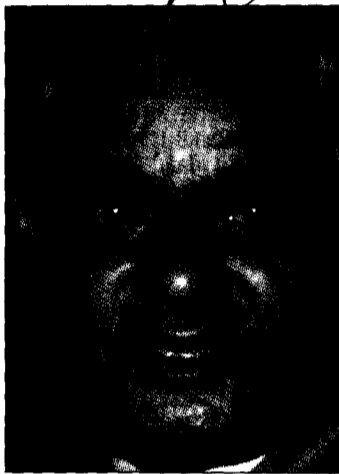
THE GOVERNMENT today showed signs of recovery. It got into a fighting mode to arrest the slide in its popularity and take head-on the Opposition's campaign to dislodge it following the tehelka expose.

On this score it was aided by its allies — including the all-important Telugu Desam Party — and by the belief that the Opposition has exhausted its ammunition. That there will be no fresh "revelations" too brought in relief.

The Government's resurgent mood is also facilitated by the Congress, which seems reluctant to risk a no-confidence motion and prefer a "slow-death" for the NDA by discrediting the multi-party alliance beyond redemption.

Senior BJP leaders — M M Joshi, Venkaiah Naidu and Arun Jaitley — trashed the Congress bravado as an open admission that the Opposition lacks numbers but wants the alliance to vacate the chair for its benefit.

"By refusing to accept the judicial probe, a debate in Parliament or even a no-confidence motion, what is the message the Opposition trying to send out?



ATAL BIHARI VAJPAYEE

Can such issues be settled through fist-fight or slogan-shouting," asked Joshi.

Even Lok Shakti leader Ramakrishna Hegde, who is cut up with George Fernandes, too talked in favour of the Government after reversing his loud-thinking regarding leaving the NDA.

The only discordant note in an otherwise good day was the crisis within the Samata Party. Three Samata ministers — Nitish Kumar, Digvijay Singh and Sreenivas Prasad — agreed to withdraw their resignation ten-

dered in support of George Fernandes.

But their party rebels, led by Prabhunath Singh and Bihar unit chief Raghunath Jha, who account for half the party's tally in the Lok Sabha, opposed the move. They hinted at the possibility of a split, which was dismissed as a remote possibility by NDA leaders.

As TDP's Parliamentary Party leader K Yerranna declared there was no possibility of a mid-term poll, the BJP announced a national conclave in the capital on March 24 and 25 to boost the Government. It will be followed by a NDA rally to be addressed by the Prime Minister.

On the face of it, the Government and the Opposition strategy seems the same— take to the streets as the campaign heats up for Assembly elections in five states and wait for the outcome.

Both sides were also candid to admit they were waiting for Parliament to put its stamp of approval on the mandatory vote on account before calling the first phase of the Budget session as closed. The vote authorises the Government to spend money till the passage of the Budget in May.

More reports on Page 9

Shaken Brajesh, N.K. Singh stirred into defensive action

Our Political Bureau
NEW DELHI 19 MARCH

A VISIBLY shaken Brajesh Mishra and N.K. Singh on Monday attempted to defend themselves from the avalanche of criticism and accusations that have been flying at them since the release of the Tehelka tapes.

Addressing a press conference in the Press Information Bureau on Monday evening, the two along with other officers in tow undertook a detailed rebuttal of the charges against them not only by the website but also by reports in newspapers.

Clarifying that he was prepared to quit office if it would strengthen Mr Vajpayee's position, Mr Mishra added hastily that the prime minister had refused to entertain any suggestions of his resignation.

Criticising what he termed the "lack of media ethics" by Tehelka, Mr Mishra regretted the trial by public opinion. He went on to add that he has borne the brunt without getting an opportunity to rebut them.

"For the past three years I have been principal secretary to the prime minister and for two years and five months the national security adviser. On no occasion has the PM spoken to me about defence purchases."

Refuting Bangaru Laxman's comment on tape about Mr Mishra being the conduit for such deals, Mr Mishra said, "Mr Bangaru Laxman has never spoken to me about any defence deal or about funding his political party with my help or that of the PMO." Denying any acquaintance with RK Gupta or his son, Mr Mishra dubbed the allegations against him as "baseless". The rebuttal of the charges made in the news agencies by the government, touched upon deals in various sectors.



N.K. Singh: Cornered

Thackeray roars, finally

Our Mumbai Bureau
MUMBAI 19 MARCH



TAKING A cue from the RSS chief, Shiv Sena supremo Bal Thackeray today lambasted the PMO.

"Brajesh Mishra, Ranjan Bhattacharya and NK Singh should be shown the door," Mr Thackeray said on Monday.

In a stinging attack, the Shiv Sena chief supported the growing demand in the ruling NDA that the Prime Minister's principal secretary Brajesh Mishra, officer on special duty N K Singh, and the PM's son-in-law Ranjan Bhattacharya should be prevented from dabbling in the Prime Minister's Office.

In his hard hitting editorial in Saamna, Sena's mouthpiece, Mr Thackeray said: "If there was room for suspicion about their role and influence on the PMO, there was nothing wrong in such a demand."

No proposal to increase FDI limits in telecom had emanated from the PMO, instead the correspondence was made between DoT and department of industrial policy and promotion, with approval of the ministry of commerce, said Mr Mishra. The GoM on FDI however did not approve and the proposal was dropped.

The policy on migration from licence fee to revenue sharing was made by the Cabinet in 1999. On the basis of the attorney general's opinion, the Cabinet in July took the decision to move to revenue-sharing. In the wake of a PIL filed in protest against this decision, the Cabinet met again in October to go ahead with the migration policy as per Court's interim orders, which was then implemented.

Refuting the charge that the change in policy on limited mobility by basic service operators, the PMO statement said that after the new telecom policy of 1999, "TRAI recommended that use of wireless in local loop (WLL) technology for last mile linkage is inescapable for achieving quick roll out and connection on demand."

In January this year, TRAI recommended that hand held sets may be used within the local area, as well as recommending other policy changes. The decision was taken by the department of telecommunications after considering issues with the Telecom Commission.

In the power sector, the charges vis-a-vis the Hirma power project in Orissa, the statement said, the state government had in 1995 said they intended to enter into power purchase agreements with Gujarat, Punjab, Haryana and Rajasthan. In January 1999, a joint development agreement was signed between PGC and CEPA and Reliance.

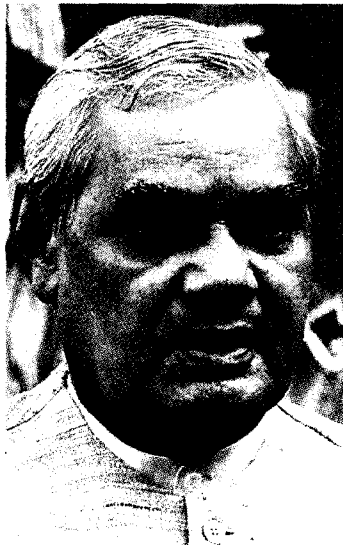
'We can't be pushed around'

By Our Special Correspondent

NEW DELHI, MARCH 20. The Prime Minister, Mr. Atal Behari Vajpayee, pronounced himself a "deshbhakt" (patriot) who "did not need a certificate from anyone". Simultaneously, he made it clear that he will not allow the Opposition to be successful in its game of trying to push out his Government which enjoyed a majority in Parliament.

Addressing the Bharatiya Janata Party's parliamentary party this morning, he told the MPs that the issue of corruption had been raised by the Opposition to try and come to power. They had also tried to create cracks within the National Democratic Alliance, but failed.

However, as he made these claims, the fact of the Trinamool Congress having left the NDA is before the public; and today the Shiv Sena chief, Mr. Bal Thackeray, another key ally, made an indirect attack on the Prime Minister himself. In an editorial in *Saamna*, the Sena mouthpiece, he demanded the ouster of the Prime Minister's Principal Secretary, Mr. Brajesh Mishra, and also



indicted his foster son-in-law, Mr. Ranjan Bhattacharya, alleging a role by him in corrupt deals.

But the parliamentary party meeting ignored these barbs from within the NDA and concentrated on the task of warding off the attacks from the Opposition. Mr. Vajpayee was critical of the Opposition for stalling Parliament and refusing to use any of the parliamentary procedures available to

express its disapproval.

Asserting that his Government would last its five-year term, Mr. Vajpayee said that after the completion of his tenure, the "people will decide" and "they will express their view" when the next Lok Sabha election takes place.

Besides Mr. Vajpayee, the Union Home Minister, Mr. L.K. Advani, and the new Defence Minister, Mr. Jaswant Singh, addressed the MPs. Mr. Singh, who was closely associated with raising questions about the Rajiv Gandhi government's Bofors deal, today suggested, in relation to the Tehelka exposures, that "questioning defence deals is not in the national interest". He defended the Sukhoi-30, Barak missiles and T-90 tanks deals.

It was left to Mr. Advani to tell the MPs not to allow their morale to sag. After all, Mr. Bangaru Laxman had resigned as party president. The meaning of Mr. Advani's message seemed to be that the MPs could stand before the people and claim that their party was clean without fear of any of the Tehelka mud having got stuck on their clothes and faces.

The latest campaign against the PM is not about corruption. It's about his ability to call the shots

Defencegate crashers

BY VIR SANGHVI

11/8
19/3

AS THE controversy generated by the tehelka.com tapes continues, it is becoming increasingly clear that there are two different campaigns and two separate sets of targets. For the first two days of the uproar — after the video footage was aired — the first set of targets dominated the headlines. Tehelka had declared that its intention was to demonstrate how corrupt and porous India's defence establishment was. And that was where the attack was focused.

The defence ministry responded by suspending officials and serving officers. Defence Minister George Fernandes tried hard to resist the pressure to resign but eventually, he recognised that he had to go — as did Samata Party president Jaya Jaitly. Bangaru Lakshman, who was caught accepting money on video tape had, of course, resigned on the very first day.

Logically, the campaign should now move to include the others trapped by the Tehelka disclosures. Mr Fernandes claims that all the deals mentioned on the tapes are entirely above board and that no money changed hands (except perhaps for the cash donation that Mrs Jaitly accepted). This may conceivably be true, but then why did his own party treasurer claim otherwise? According to R.K. Jain, Samata accepted Rs 50 crore from arms dealers. That claim alone should be enough to land Mr Jain behind bars. All kinds of investigating agencies — the Directorate of Revenue Intelligence, the CBI, the Intelligence Bureau and even the Delhi Police — should now be filing charge-sheets and the like against him.

Similarly, an additional secretary in the defence ministry accepted a gold chain as a gift — or so Tehelka suggests. No action appears to have been taken against him. The authorities have also not bothered to pick up Lt. Col. Berry who claimed involvement in a host of deals and whose famous remarks about the home ministry and a border-fencing deal were not just deleted from the final cut but also formed the subject of a letter of apology to L.K. Advani. Equally, nobody has touched R.K. Gupta, a well-known RSS member who not only brags about his clout within the Sangh but also details the pay-offs he has made to the powerful.

Instead, Defencegate has been forgotten. Once George Fernandes went, everybody lost interest in the defence scandal. It is as though the integrity of our armed forces does not matter.

Now, a new campaign with new targets has taken over. The Prime Minister should sack his principal secretary. The secretary in the PMO should step down. The Prime Minister's son-in-law should be investigated. Perhaps Mr Vajpayee himself should consider premature retirement. At any rate, he should divest himself of everybody he is close to or whom he can count on. He should spend



LONELY AT THE TOP: Atal Bihari Vajpayee

the rest of his prime ministership in glorious isolation.

There are two interesting aspects to this campaign. The first is that it actually predates the Tehelka exposures by about two months. For some weeks now, sections of the Sangh parivar have been demanding the ouster of principal secretary Brajesh Mishra and secretary to the PM N.K. Singh. It isn't just Dr J.K. Jain with his low rent, comic operas on Jain TV. Nor is it fair to blame everything on a coterie that operates out of L.K. Advani's Pandara Park residence. The campaign has been widespread and has come from many directions — though the principal sources and instigators remain members of the extended parivar.

If you read the transcripts of the Defencegate tapes closely, it becomes clear that Tehelka's reporters were doing their best to dig the dirt on Mr Mishra. Almost every time his name comes up, it is first mentioned by a Tehelka operative. In many cases, the Tehelka men keep asking if they can pay money to Mr Mishra. It is not my intention to suggest that the entire operation was aimed at discrediting the PMO. The journalists had probably heard that the PMO took cuts on deals and were doing their

best to hook the big fish.

But the point is this: they failed.

Nobody suggested that the Tehelka reporters (in their disguises as arms salesmen) needed to pay off anybody in the PMO. Yes, allegations were made about PMO officials, but similar allegations were also made about several others: Sharad Yadav, Ramvilas Paswan, the defence secretary, Yashwant Sinha and even — if Tehelka's Mathew Samuel is to be believed — L.K. Advani. Nevertheless, to borrow a phrase from Tarun Tejpal's letter to Mr Advani, these allegations were low on credibility, were unsubstantiated and led nowhere.

That brings us to the second interesting aspect of this campaign. Why then should the Defencegate tapes be used to force the resignations of people who are not incriminated by them? Why should N.K. Singh, who is not even granted a significant mention in the tapes, have to quit because of them?

The easy answer is self-evident. The Tehelka exposures have put the government on the defensive, and so, those who were already demanding the ouster of Brajesh Mishra and N.K. Singh have decided to piggyback their campaign on the Defencegate scandal. It doesn't matter

that there are no new developments or that there is no evidence: once the corruption issue has taken off, it becomes much easier to pursue a personal agenda.

But there is a more difficult question to be answered. Why do these people want to denude the PMO of its top talent? Why do they want to turn Mr Vajpayee's foster family into an embarrassment for the Prime Minister?

The only explanation that makes sense is this: much of the BJP does not want Mr Vajpayee to be an effective Prime Minister.

This is not as bizarre as it may sound at first. Don't forget that during the Aoydhya phase when the BJP was on the road to power, Mr Vajpayee was not just a dissident, he was an untouchable within his own party. The leadership regarded him as a has-been who had lost his own seat in 1984; as a tiresome irrelevance whose moderate philosophy was out of tune with the Hindutva song.

Mr Vajpayee's isolation continued till 1995. The BJP turned to him only when it became clear that a) it could not win a majority on its own and that b) nobody would align with a Hindutva party led by L.K. Advani. The way the BJP saw it, Mr Vajpayee was a consensus man, an amiable, liberal sort of chap whom nobody could object to and the perfect leader for a coalition.

At no stage did it imagine that he would be anything more than a well-meaning chairman of the board type of figure. The real power would never reside in his hands. He would be, in Govindacharya's immortal phrase, a mere 'mukhaata'.

This was a major miscalculation. No sooner did he move into Race Course Road than Mr Vajpayee declared his intention to be a full-fledged Prime Minister. He recognised that the country had voted for him and not for Hindutva. If it was going to be his reputation that was on the line then this was going to be his government and his PMO.

Therein lies the crisis.

The parivar bitterly resents the fact that Mr Vajpayee is not the 'mukhaata' it wanted him to be. It has contempt for his politics and blames him for annexing the power that was due to the whole of the Sangh parivar. It hates those he has installed in positions of influence. And it loathes him for the initiatives (say, the Kashmir ceasefire) that he has launched on his own.

The current campaign is not about Defencegate. It is not even about Brajesh Mishra. It is about who runs this government. The parivar has offered Mr Vajpayee two choices. Either he dismantles his PMO and assumes a chairman-of-the-board role or it will turn its back on him.

So far at least, Mr Vajpayee has held firm. But as the pressure mounts, how long can he hold out?

Govt staves off crisis, manages vote-on-account

Our Political Bureau
NEW DELHI 20 MARCH

THE BELEAGUERED Vajpayee government on Tuesday staved off a constitutional crisis when it managed to get the Lok Sabha pass the vote-on-account. With the Opposition now reconciled that the lack of numbers would dent the potency of the Tehelka tapes. The Opposition, on Tuesday, continued to target the Prime Minister and his establishment.

In the Lok Sabha, the government and the Opposition reached a limited agreement after which the House passed votes on account. Barring this, no other business could be conducted in the House.

The Rajya Sabha, which met in the evening to take up the

financial business was, however, adjourned amid uproars. However, government leaders said the sanction of the Lok Sabha has ensured that there will not be any constitutional crisis.

The supplementary demand for grants (general) involves 58 grants envisaging a net cash outgo of Rs 5,134.58 crore. The supplementary demand for grants are meant to pay for over spending last year, though according to officials, some of the demands would also be factored into the revised estimates for 2000-2001.

In their supplementary demand for grant in 2000-01, the Railways has sought Rs 136.14 crore on account of increase in fuel expenses. Besides, a token demand of Rs 0.02 lakh was also

group that the Congress was stalling proceedings only to undermine the credibility of the government and to capture power without the necessary numbers. "Those who have been rejected by the people are raising the bogey of corruption to come to power. But they will not be allowed to succeed," he said.

But there was bad news for the Prime Minister from within the alliance. Shiv Sena supremo Bal Thackeray, the leader of the BJP's oldest ally, said that "if there are suspicions about national security adviser Brajesh Mishra, officer on special duty in PMO N K Singh and Ranjan Bhattacharya, then they must be removed immediately."

The Prime Minister, who is learnt to have made up his mind



Vajpayee: Homemaker

placed for certain out of turn works in 2000-2001 under the head of new services.

The Prime Minister, who appears to be on a combat mood, told his party's parliamentary

to ease out Mr Mishra and send Mr Singh packing, on Tuesday fortified the BJP's alliance with the Samata Party by giving the additional charge of railway ministry to agriculture minister, Nitish Kumar.

The Prime Minister, who also took the gloves off, told the former ally, Trinamool Congress to explain its nature of ties with the government. In a related development, Tarun Tejpal, editor-in-chief of Tehelka.com, appeared before the army's three-member court of inquiry probing the conduct of defence officials exposed by the portal. Appearing at the request of the Court, he also handed it over four-and-half hours of tapes of senior defence officials and political figures discussing defence deals.

The Economic Time.

19 MAR 2001

Vajpayee puts Jaswant on mission impossible

HF-9
19/3

Shishir Gupta & Shekhar Iyer
New Delhi, March 18

PRIME MINISTER A B Vajpayee has put External Affairs Minister Jaswant Singh on a task that can only be described as "mission impossible."

Even if his additional responsibility as Defence Minister is only a stop-gap arrangement till George Fernandes is cleared by the judicial inquiry in four months, he has to act now to stem the rot that has set in the military establishment and restore the Government's credibility.

There was speculation in some quarters that Singh would keep the portfolio even if Fernandes was cleared. "After all, had not Vajpayee thought of shifting out Fernandes last year?" asked one BJP leader.

Fernandes himself did not seem surprised that Singh had been given the defence portfolio. "A week is a long time in politics," he told a television reporter, quot-

ing British Labour Party Leader Harold Wilson.

Singh was Vajpayee's Finance Minister when he became Prime Minister for 13 days in 1996, despite stiff opposition from the Sangh parivar. Most bjp leaders believe Vajpayee sees Singh as a bulwark against the threat to his authority posed by Home Minister L K Advani.

Singh is by far the best choice for the defence portfolio. He is untouched by allegations of graft. As a former soldier, he is recognised by the armed forces as having given a new perspective to foreign policy without compromising larger security interests. Singh, on his part, has never cut ties with the Indian Army. He was commissioned in Poona Horse in 1957 and resigned as a Major from the Armoured Corps in 1966.

He still keeps in touch with his regiment, and shares a good professional relationship with the Services chiefs, particularly Army Chief General S. Padman-

abhan. Today, the entire defence apparatus is shaken to its core by the allegations about arms dealers and middlemen. If Singh means business, his first priority will be to break the military-bureaucrat-politician nexus in the procurement of weapons and supplies for the armed forces.

The new Defence Minister will have to also focus on departments such as ordnance, weapons and equipment, ridden with graft allegations.

He will have to ensure that shady arms dealers and corrupt officers do not surface at the Army Headquarters again. The jawans, who serve in inhospitable conditions, are often suspicious of their officers.

They believe that the Army, thanks to unscrupulous middlemen, is saddled with equipment and weapons that do not work or meet their needs. Singh will have to ensure an impartial inquiry into the allegations and punish the guilty.

THE HINDUSTAN TIMES

9 MAR 2001

Jaswant gets defence charge

STATESMAN NEWS SERVICE

NEW DELHI, March 18. - In a major development, the external affairs minister, Mr Jaswant Singh, was today given the additional charge of the defence ministry to fill the vacuum created by the resignation of Mr George Fernandes following the *tehelka.com* defence deals exposure.

Highly placed sources in the PMO said that the government, however, is not immediately concerned about the vacancy in the railway ministry after Miss Mamata Banerjee's resignation.

"The cabinet portfolio of railway ministry will remain with the Prime Minister as there are two MoS in the ministry", PMO sources said. No information regarding Cabinet expansion was divulged. A Rashtrapati Bhavan com-

munique said President Mr KR Narayanan has entrusted Mr Singh with the additional charge of the defence ministry on the advice of the Prime Minister, Mr Atal Behari Vajpayee, who is currently in Rajasthan and expected to arrive here tonight.

Sources said that the defence ministry has been without an MoS since the resignation of Mr Harin Pathak who quit last year after being charged in a criminal case and it was necessary to plug the gap.

Stating that "it is a signal for Mr George Fernandes's comeback after the judicial investigation is over" sources said the government wanted to give the charge to a leader having a 'clean political image'.

Expressing the NDA's faith in Mr Fernandes, the Union minister for parliamentary affairs, Mr Pramod Mahajan

istry at a crucial time with the army carrying out an inquiry against senior officers, including three Major Generals, and the government announcing a judicial investigation into the matter.

Mr Fernandes's Samata Party colleagues in the Union council of ministers, Mr Nitish Kumar, Mr Digvijay Singh and Mr V Sreenivasa Prasad have also put in their papers but they have not been forwarded by the Prime Minister.

Miss Banerjee, and her Trinamul Congress Party colleague, minister of state for external affairs, Mr Ajit Panja, stepped down on 14 March after the government failed to heed to her demand for Mr Fernandes's resignation. The Trinamul Congress also withdrew support to the NDA government.

Commissioned in the Central

India Horse in 1957, Mr Singh resigned to take to politics in 1966. Defence and security matters have been subjects on which he has written extensively.

After being elected to the Lok Sabha for the third time in 1996, Mr Jaswant Singh was made finance minister and also served as deputy chairman of the planning commission before taking over as external affairs minister in 1999.

Mr Singh will have the unenviable task of redeeming the image of the defence establishment which has taken a severe beating after the exposure.

Although he is no stranger to matters concerning defence, he would have to wear time away from his primary responsibility as external affairs minister and concentrate on the defence ministry.



Mr Jaswant Singh

had also said that Mr Fernandes will come back. Mr Fernandes quit on 15 March, two days after the *tehelka.com* expose.

Mr Jaswant Singh, a former armoured corps officer, takes additional charge of the min-

Sudarshan clears air on PM's son-in-law

RSS throws weight behind Vajpayee

FROM RADHIKA RAMASESHAN

New Delhi, March 18: After neutralising the initial misgivings within the coalition and the BJP about the role of the Prime Minister's Office in defencegate, Atal Bihari Vajpayee has managed to get the RSS on his side.

RSS chief K.S. Sudarshan gave a clean chit to the government, saying it had made a "sincere effort" to change the system and, therefore, should be given an "opportunity" to continue its endeavour.

"The government and the Prime Minister have assured the nation that a Supreme Court judge will probe the allegations contained in the (Tehelka) tapes and they also stressed that the guilty will not be protected. Furthermore, the government has stated that it is ready to have a discussion in Parliament under any rule. The government has taken the necessary steps," Sudarshan said.

Vajpayee won the RSS' support as the Opposition resolved to cripple Parliament again when it reconvenes tomorrow. The Congress has also decided to take the issue to the streets. (See Page 6) The ruling coalition, too, has announced a series of public rallies, while Vajpayee challenged the Opposition to a trial of strength in Parliament.

"The system is rotten to the core, but the rot set in over 50 years ago. This government tried sincerely to change the system, so there were vested interests which were hurt in the process. The system is deeply flawed and corruption has seeped to the lowest level," argued Sudarshan in what seemed to be another spirited defence of George Fernandes.

Sudarshan quoted Jan Sangh ideologue Deen Dayal Upadhyaya, perceived as the repository of morality in the parivar. Sudarshan said that during an election campaign, Upadhyaya was asked if he could guarantee that the Jan Sangh will not be corrupt if it ca-

me to power. "In a public meeting, Deen Dayalji said no, he could not give a guarantee. So the best thing for people is to change the government every five years."

The RSS *sarsanghchalak* sounded critical only when he responded to questions on the role of Vajpayee's son-in-law, Ranjan Bhattacharya, and principal secretary Brajesh Mishra. Responding to a question on Bhat-tacharya, Sudarshan said: "The PMO should not allow any extra-constitutional authority to rule."

However, late tonight, Sudarshan issued a statement clarifying that it should "by no means be interpreted that I implied that there is an extra-constitutional centre in the present PMO". The PMO also denied the existence of an "extra-constitutional authority".

Sudarshan described Mishra as an "incompetent" official. "From the beginning, we have been saying the PMO does not have competent officials and he (Mishra) has certainly not lived up to our expectations."

THE TIMES OF INDIA

19 MAR 2001

TEHELKA ISSUE CONTINUES TO ROCK PARLIAMENT

LS passes vote-on-account

By Our Special Correspondent

NEW DELHI, MARCH 20. Amid slogan shouting and general commotion, the Lok Sabha today passed the vote-on-account through voice vote enabling the Government draw from the Consolidated Fund of India for the next two months. The House also approved the proposal of the Railway Ministry to draw money for expenses, pending the approval of the Railway Budget by Parliament.

The motion for the vote-on-account was moved in the Lok Sabha by the Finance Minister, Mr. Yashwant Sinha, for permission to draw up to Rs. 1,19,411 crores for meeting essential Government expenditure beyond March 31, and till the demands for grants of the various Ministries were approved by Parliament. The motion for railway expenditure to the tune of Rs. 11,802.72 crores was moved by the Minister of State for Railways, Mr. Digvijay Singh.

The two motions have been sent to the Rajya Sabha, which is scheduled to take up the matter tomorrow. Technically, the Upper House has no jurisdiction to turn down a money Bill and the motion is expected to be considered and returned to the Lok Sabha.

Prior to the passage of the vote-on-account in the Lok Sabha, the Speaker, Mr. G. M. C. Balayogi, contacted the leaders of Opposition parties, including Ms. Sonia Gandhi, Mr. Somnath Chatterjee and Mr. Mulayam Singh Yadav. The leaders concurred with the Speaker that the vote-on-account was a Constitutional necessity and agreed not to disrupt the proceedings of the House during the passage of the motion.

In the normal course, the vote-on-account is an annual feature since the demands for grants for various Ministries are normally approved by Parliament after the



BJP members staging a demonstration against the Congress in front of parliament gate on Tuesday. — Photo: Anu Pushkarna

mid-session recess. Hence, the Government routinely seeks the approval of Parliament to carry out expenditure beyond the end of the financial year, March 31.

However, the vote-on-account is normally preceded by a general debate on the Union budget when members seek clarification and make suggestions to the Finance Minister. It is also the normal practice for the Minister to announce some changes in the budget in the light of representations made by trade and industry and other organisations. But the disruption of parliamentary proceedings in the wake of the Te-

helka expose has been at the cost of a general debate on the budget and sectional interests which have been representing the Finance Minister for changes in excise and other levies would have to wait for Parliament to resume after the recess.

RS adjourned

PTI reports:

Meanwhile, the Rajya Sabha had to be adjourned without transacting any legislative business following acrimonious scenes over the Tehelka tapes expose. The only time the Opposition members were silent was when the Deputy Chairperson,

Ms. Najma Heptulla, read out a message from the President, Mr. K. R. Narayanan, thanking the House for adopting the motion of thanks on his address to the joint sitting of Parliament.

Outside Parliament House, the battle of lung power between ruling party members and the Opposition touched new heights.

Sporting jackets with slogans against the Congress and its president, Ms. Sonia Gandhi, the BJP's shouting brigade led by the Bharatiya Janata Yuva Morcha president, Mr. Shivraj Singh Chauhan, was countered by the Opposition members led by the RJD's Mr. Raghuvansh Prasad Singh and the CPI(M)'s Mr. Suresh Kurup and Mr. Subodh Rai.

Fernandes meets President

By Our Special Correspondent

NEW DELHI, MARCH 20. The former Defence Minister, Mr. George Fernandes, met the President, Mr. K. R. Narayanan, at the Rashtrapati Bhavan this morning. According to a Samata Party spokesman, it was a "courtesy call".

Mr. Fernandes, however, is believed to have explained to the President the circumstances under which he had to resign in the wake of the Tehelka tape revelations. The meeting assumes significance only because a section of the media had reported that it was at the behest of the President that the Prime Minister, Mr. A. B. Vajpayee, asked for Mr. Fernandes' resignation.

Though no official word was available either from the President's side or Mr. Fernandes about what transpired between them, it is understood that Mr. Fernandes learnt for himself that the President had no role in the change of guard at the Defence Ministry.

THE HINDU

21 MAR 2001

Atal leads counter attack

HT Correspondent
New Delhi, March 20

CONFIDENT THAT the coalition that he leads has majority in Parliament, the Prime Minister today told his party's MPs that he will not let the Opposition force him to resign over the tehelka expose.

Like the Congress, which has threatened to take to the streets, Atal Bihari Vajpayee told his MPs to take the battle to the people's court. "It is finally the people who decide who comes to power after this Government completes its tenure," he told the BJP parliamentary party, which he addressed for the first time today after the expose.

He urged his MPs to return to their constituencies when Parliament goes into a three-week recess on March 24.

"Please explain to your voters that there is no truth in the allegations. There was no corruption in any of the defence details. No minister is involved."

Those who had been rejected by the people were raising the bogey of corruption to come to power, he said, declaring, "They will not be allowed to succeed."

Defending his Government's decision to order a judicial inquiry, Vajpayee said, "The truth will come out before the people and the Opposition will not succeed in defaming us."

At Vajpayee's prompting, External Affairs Minister Jaswant Singh, who has been given additional charge of Defence, told the MPs that the Government had followed all procedures to buy Russian-made T-90 tanks, Sukhoi-30 aircraft and Barak missiles.

Later, BJP parliamentary party spokesman V. K. Malhotra quoted Singh as having said that



ARVIND YADAV/HINDUSTAN TIMES

BJP MPs shout slogans outside Parliament on Tuesday against the Congress' involvement in various scams,

it was "not in the national interest to raise doubts about these deals when the country's security is involved".

"Our alliance is strong," Vajpayee said, "and efforts to divide us have proved futile. That is why the Opposition is talking of taking the battle to the streets despite our willingness to face a debate in any form, even a no-confidence motion."

The Congress, he said, had never wanted any non-Congress Government at the Centre to succeed. "Hence, they have been trying to destabilise us in some way," he claimed. "The Congress

never allowed non-Congress parties, including those supported by it to remain in office for a full term. It wants to prove that only the Congress can run a government for five years."

Hadn't the BJP also stalled business in Parliament when it was in the Opposition? "There is a difference," Vajpayee said. "We always sought a debate or an inquiry whereas the Congress has rejected both. We were always ready for a probe, debate or even voting." But the Congress was stalling business in the House only to try and seize power without a majority.

More tapes? Could be, says tehelka

THE TEHELKA news portal today said it wouldn't "immediately" release any more tapes on defence deal corruption. Tarun Tejpal, tehelka editor-in-chief, said. "We are not releasing any tapes at the moment. But you never know." Does he have anything more to show? Tejpal maintained, "We are not releasing anything as yet." PTI

Mamata stand confusing, says Kailashpati

Arindam Sarkar
Kolkata, March 21

ATUL BEHARI VAJPAYEE and the BJP do not want to sever ties with Mamata Banerjee. "We want the Trinamool-BJP alliance to work in Bengal and also want Mamata to become the Chief Minister of Bengal. However, we expect some commitment from the Trinamool chief on the issue of backing the NDA Government," BJP vice-president Kailashpati Mishra said today.

He said Mamata's decision to withdraw support and resign from the ministry while maintaining that she had full faith on the Prime Minister, was sending contradictory signals. "Now the question arises, if you have snapped ties with the BJP at the Centre, how can you say there is an alliance with the BJP in Bengal? Isn't this a contradiction?"

We understand her local compulsion, but she should also give us her assurance," Mishra told the Hindustan Times.

He said the fax sent to Mamata should not be treated as an ultimatum, a blackmail or a threat. "Such a situation has arisen in the country that the Prime Minister would like to know who would support the Government in the case there is a no-confidence motion. Mamata said she would abstain. That doesn't help us. Because it's neither a positive nor a negative signal. We feel the Government can face a trial any moment in Parliament. So each and every MP counts."

But Mishra said the BJP was eager to talk to Mamata. "Mamata should also open the channels of communication and clear the confusion. If there is clarity in her stand, the BJP would also think positively about the seat

adjustment in Bengal. We are only asking what is the point of seat adjustments here when she is not supporting the NDA at the Centre? The two allies must work out something. We don't want any heartburn."

Mishra, who is attending a meeting of the State election committee today, said the local BJP unit was short-listing its candidates for the Assembly polls and the list would be recommended to the central election committee.

He made it clear that the State panel was not the deciding authority on the number of seats or the choice of candidates. "We are not complaining about the 39 seats that Mamata gave us. But at least she can change some — say five or six. What's the harm in that? We would request Mamata to come out of the hibernation and start the process of interacting to smoothen the situation."

HT Correspondent
Kolkata, March 21

DISSIDENTS IN the State unit of the BJP are waiting patiently to extract their pound of flesh as the party drifts away from the Trinamool Congress and finds itself in a real political crisis.

For close to a year, these dissident leaders have been forced to cool their heels in the sidelines after they emerged poor losers in the internal power struggle. But now that the party is on a sticky wicket because of its problems with the Trinamool, they have decided to push forward their claim for reinduction into the State leader-

ship again.

Dissident BJP leader Rahul Sinha, however, maintained they would rally behind the party at this moment of crisis. As committed BJP workers, he said, they were ready to do their best to help the party's sagging poll prospects.

Sinha said they had already held extensive talks with the BJP central leadership on the issue. At the request of the central leaders, the dissidents shelved plans to go on an all-out offensive against the ruling group immediately. They have also put off their rally, earlier scheduled on March 16, in which they proposed to announce their future course of action. "We

think the party is more important at this stage than anything else."

Sinha held the ruling State BJP leadership largely responsible for the current impasse.

"The seat deal with the Trinamool was done in a most amateurish way,"

The seeds of discord, he says, were sown when the BJP caved under Trinamool pressure to agree on 39 seats.

He wondered why the BJP leadership approved the deal without assessing the electoral viability of the seats offered.

"None of the 39 can be considered sure seats. There are only six or seven seats where the BJP can put up a good fight, the rest

are all junk seats."

The growing dissent in the party ranks over the seat adjustment with the Trinamool is thus hardly a surprise for rebel leaders. The BJP-demand of swapping seats is unavoidable, they say.

Sinha ruled out severing links with the BJP and floating a separate outfit though the Trinamool is said to be pursuing the option of weakening the BJP further.

"Let the party be run in a proper way and we will be happy. The slipshod way the party is being managed now has only hurt our prospects. Our only demand is to involve experienced leaders in party affairs."

BJP rebels cash in on crisis

BACK FOOT DEFENCE

There can be no doubt that the worst victim of the Tehelka revelations has been the image of the prime minister, Mr Atal Bihari Vajpayee. A close second comes the image of the ministry of defence. Mr Vajpayee's image has suffered not because the finger of corruption has been pointed towards him but because of his ham-handed handling of the political fallout. He not only remained inactive and crestfallen for twenty four hours but even after he was galvanized into action, his decisions have not been marked by the sheerness of touch that one would expect from a politician of Mr Vajpayee's vintage. He accepted, albeit too late, the resignation of Mr George Fernandes, the then defence minister. He followed it up by the announcement that Mr Jaswant Singh, the minister for external affairs, would also be in charge of the defence portfolio. Thus, at a time when the defence ministry is in urgent need of repair and cleaning, it will not have a full-time minister. Without underestimating Mr Singh's abilities and energies, it has to be acknowledged that foreign affairs is a taxing portfolio and now he has another demanding job on his shoulders. This is unfair on the man and on the two concerned ministries.

The nature and the context of Mr Singh's additional responsibility suggest that his presence in the defence ministry is only temporary. He is only holding the fort till the air is cleared of controversy and scandal. It is to be hoped that the prime minister is not thinking of re-inducting Mr Fernandes as defence minister after a suitable period of time has elapsed. Apart from the current slur on Mr Fernandes's reputation, there are other reasons for not bringing him back as defence minister. The new full-time defence minister should come preferably from the Bharatiya Janata Party so that he is subject to party discipline and is under Mr Vajpayee's direct control. Such an appointment will free a crucial ministry from the pressures of coalition politics. There is another reason for recommending such an appointment. If the Tehelka tapes have brought home one point, it is the need for reforms in the defence ministry. This is not a new need because experts, over a number of years, have been pressing for reforms. No action has ever been initiated. Now the whiff of scandal might prove to be the motor for change. If it does, then a crisis will become an opportunity for improvement. On current performance, it is hardly to be expected that Mr Vajpayee will seize the moment to make far-reaching changes. Rather he will play safe and not rock the boat. This might appear unfair to the prime minister. But he seems to have lost, not his marbles, but his initiative. The least he could do is to appoint a full-time defence minister. That cannot strike panic among the most ardent pro-changers in his camp.

THE TELEGRAPH

22 MAR 2001

Govt gears up to clip CVC wings

HTC & PTI
New Delhi, March 21

THE VAJPAYEE Government will restore the controversial "single directive" clause in the long awaited Central Vigilance Commission Bill, which the Supreme Court had struck down in a December 1997 order.

The clause makes Government permission mandatory for the CBI and other investigating agencies to probe corruption charges against joint secretaries and officials of equivalent rank in the Central Government, banks and PSUs.

The legislation is expected to be taken up when Parliament reconvenes next month. The move comes amid continuing allegations against senior officials after the tehelka expose.

The Union Cabinet approved a number of changes in the proposed legislation at a meeting last night, accepting all recommendations of a 30-member joint committee headed by NCP leader Sharad Pawar, Parliamentary Affairs Minister Pramod Mahajan told reporters. Two dissenting notes on the report were submitted to the joint committee by MPs Nitish Sengupta and Kuldip Nayyar.

The changes will curtail powers of the autonomous Vigilance Commission, something that Chief Vigilance Commissioner N Vittal has been campaigning to prevent.

The CVC should, the JPC has said, supervise vigilance administration in a manner consistent with directions issued by the Government.

The committee recommended that along with the Chief Vigilance Commissioner, vigilance commissioners will be on selection committees that appoint

directors of the CBI and Enforcement Directorate. Secretaries of the home ministry and the department of personnel are part of the appointment panel too.

The JPC has reduced the number of vigilance commissioners to assist the chairman from four, as initially proposed in the Bill, to "not more than two" and extended their tenure from three to four years.

It has also said that the Chief Vigilance Commissioner will not be eligible for reappointment as CVC or for appointment in diplomatic position, once his term ends. He cannot also hold post of administrator in Union Territories or any office of profit in the Centre or State Governments.

The upper age limit for the CVC and vigilance commissioners would be 65 years. Vigilance commissioners will be eligible for appointment as CVC.

The committee has also said that the CVC should present its report to the President within six months of the close of the year for which it was being made.

PM on Brajesh: Prime Minister Atal Bihari Vajpayee today parried questions on demands for the resignation of his Principal Secretary Brajesh Mishra.

"Mishra does not hold public office," he said in response to a question. Did that mean Mishra should not resign? "I did not say so," he replied.

Defence deals under scanner: The CBI is investigating nine major defence deals, including procurement of armaments like weapon-locating radars, handheld directional finders and supply of smoke ammunition from South Africa for 155 mm guns, Rajya Sabha was informed today.

CBI slaps assets case on Sonia aide

HT Correspondent
New Delhi, March 21

THE CBI has registered a case against Sonia Gandhi's private secretary Vincent George for possessing assets disproportionate to his known sources of income while he served as private secretary to Rajiv Gandhi.

Rajiv Gandhi was Prime Minister and then leader of the Opposition when George served as his private secretary.

The registration of the case comes soon after the tehelka expose. In the context, political circles see the case against Vincent George as an attempt by the Centre to divert attention from the dotcom scandal.

Vincent George seemed not to have heard about it when *Hindustan Times* contacted him in the evening. He refused to comment, saying only that he would find out the details.

CBI officers said a preliminary inquiry was registered in March, 2000 on the basis of disclosures made by Ashok Aggarwal, former Deputy Director, ED, who was arrested in 1999.

CBI also claimed that Vincent George had possessed assets in excess of his known sources of income between November 1984 and December 1990, when he was a public servant. "George and his family members had bank accounts and fixed deposits to the tune of Rs 13 lakh. They also had properties in Delhi and other cities," an officer said.

THE HINDUSTAN TIMES

22 MAR 2001

Nitish to undo Mamata work

CL MANOJ
STATESMAN NEWS SERVICE

NEW DELHI, March 22. — Mr Nitish Kumar has singled out the railway's economic revival as his top priority. The new railway minister, who held several rounds of talks with senior officials even before he took charge today, is learnt to have expressed concern about the railway's "financial mess".

Soon after he took charge this evening, Mr Kumar said he would have detailed discussions on the ministry's state of affairs. "I'd like to get an overall picture of the ministry first before I take any step. At the same time, I can say my main concern will be how to deal with the railway's economic crisis."

Though Mr Kumar was never on the best of terms with

Miss Mamata Banerjee (she had blocked his return to the ministry), he would not comment on his predecessor's "populist legacy". He was evasive when asked whether there would be an increase in fare and freight charges. "I have just taken over and don't even know what's the situation."

When asked whether he would he would implement the interim proposals of the Rakesh Mohan Committee, which he constituted a couple of years ago as the railway minister, for the restructuring of the railways, Mr Kumar said: "Well, I had set up the committee and I understand it had submitted an interim report. I would certainly like to go through it and see how far it can be useful".

Miss Banerjee had almost dumped the Rakesh Mohan

committee by propping up the Sam Pitroda committee.

Mr Kumar has sent more 'signals' that could be of Miss Banerjee's interest. Asked if he would "positively consider" the grievances of states such as Orissa which had felt let down by the budget, he said: "Railways is a sensitive institution and every states have their expectations. I feel one should do a balancing act."

It remains to be seen whether this "balancing act" means slicing the generous Bengal cake Miss Banerjee had baked.

Mr Kumar, who has an image of a "balanced administrator not allergic to reforms", is however not being carried away by pro-reforms lobby's campaign. While talking about the need for reforms, he also stressed on railway's "social responsibility".

THE STATESMAN

23 MAR 2001

Sangh for Operation Clean-Up

Our Political Bureau

NEW DELHI 22 MARCH

PRIME MINISTER Atal Behari Vajpayee on Thursday came under fresh pressure from within the Sangh brotherhood to sack his principal secretary Brajesh Mishra and officer on special duty, N.K. Singh. The VHP and the Swadeshi Jagaran Manch, two arms of the Sangh Parivar, said the duo is "insensitive to national interests" and their continuance in the PMO was hurting the credibility of the ruling arrangement.

The Sangh offshoots said the two officers, who are not accountable to people, have been allowed to fashion the government's policy. Although they delinked their fight against the two officers from the demands of the Opposition, the two organisa-

tions said the Prime Minister should immediately conduct an Operation Clean-Up in his establishment. "The government is facing a crisis created by people like Mr Mishra and Mr Singh," the Swadeshi Jagaran Manch said.

"When key policy-making positions are given to such people who are insensitive to national interest, such problems are bound to happen," an SJM leader said.

In what is seen as a sharp attack on the Prime Minister, the SJM said the bureaucrats are being allowed to have a free run. "This government lacks political direction. It is not led by a political leadership but by bureaucrats. It is not possible for people to believe in the sincerity and credibility of a government

which has such people at the helm of affairs," the Manch said.

On its part, the VHP asked the Prime Minister to punish everyone, including officials in the PMO if they were found guilty in the Tehelka investigations. "The expose has happened for the good of the country. It was a wake up call. We want the Prime Minister to punish everyone, including PMO officials, if they are found guilty," VHP working president Ashok Singhal told reporters.

Attributing corruption in the country to a "gradual erosion of moral values in public life in the last 50 years," Mr Singhal demanded that the Parliament should set up an authority to which everyone including the "highest office" will be accountable.

The Economic Times

23 MAR 2001

'OPPOSITION LOWERING DIGNITY OF PARLIAMENT'

Govt. will not resign: Advani

By Our Special Correspondent

NEW DELHI, MARCH 23. The Government will "fulfill the people's mandate and shoulder the responsibility given to it till it commands a majority in the Lok Sabha," the Union Home Minister, Mr. L.K. Advani, told his party MPs at an emergency meeting of the parliamentary party at the end of the first part of the budget session. The message was clear — the Government will not resign and oblige the Opposition.

Mr. Advani squarely laid the blame on the Opposition for the stalemate in Parliament over the last 10 days. He said the Opposition had lowered Parliament's dignity, brought it into disrepute and put a question mark on the very functioning of democracy for which the world admired India.

In this very session there was voting in Parliament on four occasions, and each time the Government had demonstrated its majority. There was no question of the Government resigning just because the Opposition was demanding its ouster, he said aggressively. He termed such a demand "undemocratic".

As for the Tehelka tapes and the scandal, the Home Minister tried to question their credibility; the tapes were "doctored and edited", the party spokesperson, Mr. Vijay Kumar Malhotra, told reporters later at a briefing.

The Government, which has been most sensitive to criticism that it had compromised national security, also took up its own defence. Mr. Advani noted that Pokhran-II and Kargil had both demonstrated the Government's commitment to India's security and defence. "We were ready to discuss and debate the fallout of the Tehelka disclosures, but it was

the Opposition that did not want a debate."

But the contradictions in the Government's arguments were exposed when Mr. Malhotra said that the new Defence Minister, Mr. Jaswant Singh, in his address to MPs, had said that "strict action will be taken against all military and civilian officials named in the Tehelka tapes".

The spokesperson had a tough time explaining how and why the Defence Minister wanted to take strict action when the Home Minister had described the tapes as "doctored". Nor was the party able to explain why the Government had proceeded against some officers but had spared others — also named in the tapes — in the Prime Minister's Office.

The party continued to maintain that the Tehelka event was part of a larger Opposition conspiracy to destabilise the Vaj-

payee Government. Mr. Bangaru Laxman, former party president who had resigned in the wake of the scandal, was conspicuous by his absence.

Recess till April 16

With familiar scenes of protest and sloganeering against the Government by the Opposition in both the Houses, Parliament was adjourned till the end of recess period.

Parliament has gone into a three-week recess, having begun the budget session on February 16. It will now reassemble on April 16. The Parliamentary Standing Committees would discuss Ministry-wise budget provisions during the break.

Peace prevailed for a brief while when the presiding officers in both the Houses recalled the supreme sacrifices of Bhagat Singh, Sukhdev and Rajguru, on their 70th martyrdom day. Members

observed silence in memory of the three freedom fighters who laid down their lives fighting for the country's independence.

Meanwhile, leaders of the non-Congress Opposition held a meeting and decided that their MPs would take part in the Parliamentary Standing Committee meetings. The MPs were not taking part in the Consultative Committees which are attached to Ministries.

Those who attended the meeting included Mr. Somnath Chatterjee and Mr. Rup Chand Pal (CPI-M), Mr. Ajoy Chakravarty (CPI), Mr. Mulayam Singh Yadav (Samajwadi Party) and Mr. P.H. Pandian (AIADMK).

Action planned against official

By Our Special Correspondent

NEW DELHI, MARCH 23. The Government is believed to have decided to defrock Mr. Thomas Mathew, Union Home Ministry official who was suspected of having provided aid and comfort to one of the tehelka.com reporters during the course of the website's sting operation, code-named Operation West End.

The Ministry yesterday announced an internal probe into Mr. Mathew's doings after a newspaper had revealed the "conspiracy". To their surprise, the investigators found that Mr. Mathew was quite willing to confess to his role, his links with a political party as well as to his conviction that the Government did not deserve to be in office.

Disciplinary action has been recommended and the middle-ranking official may find himself out of the civil service.

Judge spotted for Tehelka probe

By Harish Khare

NEW DELHI, MARCH 23. Mr. Justice K. Venkataswami, retired judge of the Supreme Court, is likely to head the probe into the tehelka controversy. The name of Mr. Justice Venkataswami, who retired in September 1999, has been suggested by the Chief Justice of India, Dr. A.S. Anand.

The Prime Minister, Mr. Atal Behari Vajpayee, announced the Government's decision, in a national broadcast, on March 16 to institute an inquiry into the "expose" by a sitting or retired judge of the Supreme Court. Subsequently, the Government approached the Chief Justice to spare a sitting judge. However, Dr. Anand said no sitting judge could be spared, but if the Government was willing, he would help find a suitable retired judge.

This evening, the Chief Justice is believed to have sent a communication to the Law Ministry suggesting the name of Mr. Justice Venkataswami (retd.). The notification of the Justice Venkataswami Commission is likely to be announced tomorrow.

Non-Cong Oppn to stay away from consultative panel meet

Our Political Bureau
NEW DELHI 23 MARCH

NON-CONGRESS Opposition leaders, who met here on Friday, will boycott all the meetings of the Consultative Committee in protest against the Vajpayee government's refusal to own moral responsibility over defencegate and to consult them in any manner regarding action to be taken over the expose.

"There has not been a single move by the Prime Minister or the ruling party during this entire affair to have any dialogue with Opposition, although they have been charging us with thwarting a debate.

"From day one, the Opposition has been totally ignored," CPI(M) parliamentary party leader Somnath Chatterjee said while disclosing the decisions taken on Friday's meeting of the Third Front leaders.

However, he asserted that the leaders would continue to attend standing panel meetings in an attempt to pointedly register their stand that their protest was aimed against the government and not against Parliament.

The main Opposition, the



Somnath: Ready to debate

Congress, though, asserted that it would attend both Consultative and Standing Committee meetings.

The decision of the Third Front leadership to harden its stand against the government position on the defencegate issue even through Parliament's recess period, comes even as a core constituent — the Samajwadi Party — charged on Friday that the timing of the government's action against Sonia Gandhi's private secretary, Mr V. George, was highly suspect and could only be construed as a vindictive act.

The SP leadership also undermined the BJP's attempts to focus prominently and negatively on the Third Front-Congress decision to stall Parliament as part of a counter attack strategy, holding that this was a "lesson" learnt by them after the then Opposition stalled Parliament for several weeks over the Sukh Ram affair.

As the Opposition, the SP and its allies were justified in using the shocking visual imagery of former BJP chief Bangaru Laxman accepting a bribe, and that of Samata's Jaya Jaitly giving her nod to accepting one, to buttress their demands for the exit of the existing government, party leaders said: "It is hardly our fault if Prime Minister Vajpayee himself had a direct hand in the appointment to the post of a man who bungled so blatantly.

"If the BJP were the Opposition, they would have acted similarly." Dismissing the CBI's contention that action against Mr George at this juncture was a "coincidence," party leader Amar Singh asserted: "If they had information against him all these months, what was the need to act at this juncture."

The Economic Times

24 MAR 2001

BALCO:

(Continued from page 1)

and Mr Dipankar Mukherjee of CPI-M said the government had moved the Supreme Court to "throttle the legitimate rights of workers".

Mr Mukherjee read out an earlier statement by the Save Balco Joint Action Committee to stress that the workers did not want to damage the plant and had offered to work without wages during the strike, for the plant was their source of livelihood.

Congress MP, Mr Arjun Singh, said the government's decision was a "disgrace" and refuted the government's claims that the Centre had kept the Chhattisgarh government informed of the disinvestment move. His colleague, Mr Suresh Pachouri, termed it as a "serious matter".

Opposition MPs in the Lok Sabha were equally vociferous in their protest. CPI-M leader, Mr Somnath Chatterjee, accused the government of involving the court in its "sinister disinvestment policy".

"Shall we decide Centre-State issues by going to the court?...I know we do not have a perfect federal structure in the country but there are in-built mechanisms to solve Centre-state disputes," he said.

Mr Roop Chand Pal (CPI-M) said moving the court would only worsen the already strained relationship between the Chhattisgarh government and the Centre.

Trade union stir: Several trade unions have urged workers across the country to hold "solidarity programmes" in industrial units to show their support to the 6,500-odd striking employees at Balco.

The HMS, Aituc, Citu, Utuc, Intuc and the BMS will organise "solidarity programmes".

THE STATESMAN

- 9 MAR 2011

Opp slams govt move on Balco

STATESMAN NEWS SERVICE

NEW DELHI, March 8. — The Centre today came in for sharp criticism from the Opposition for moving the Supreme Court on protests against the disinvestment of Balco.

Mr Atal Behari Vajpayee said the Congress was being "unreasonable". "If the Congress-ruled Chhattisgarh government can take to the streets, why can't we go to court," the Prime Minister asked.

Mr Arun Shourie defended the decision during Zero Hour, saying property worth crores would have been at risk if the government had not gone to court. If the smelter plan was shut down even for a day, it would result in a loss of Rs 100 crore, of which 49 per cent would have to be borne by the government.

The disinvestment minister denied charges that the government was trying to protect the interests of Sterlite Industries, which had bought 51 per cent stake in Balco. He pointed out that the government continues to hold 49 per cent stake in the company.

Mr Shourie said the Centre's decision was prompted by the statements of some Chhattisgarh, who gave moral support to the striking workers and threatened to stop water, electricity and food supply to the plant.

Mr Shourie said the Centre had written to the Chhattisgarh chief secretary after receiving reports of damage to the plant and imminent law and order problem. But there was no reply.

On an urgent interim application moved by the Centre, the Supreme Court yesterday directed the Chhattisgarh government not to disconnect water, electricity and food supply to the plant. The chief secretary and the director-general of police in particular were asked to ensure that workers and the management are not intimidated or prevented from working in the plant.

But the Opposition was not satisfied. Mr Nilatpol Basu

■ See BALCO: page 8

THE STATESMAN

- 9 MAR 2001

Govt ready for talks with J&K groups: Advani

STATESMAN NEWS SERVICE

NEW DELHI, March 7. - The government intends to hold talks with all groups in J&K, including the Hurriyat Conference. But it won't have the Hurriyat take on its "self-assumed role" of mediator between India and Pakistan, Mr LK Advani told the Rajya Sabha today.

The government was on the "right course" and this "would yield results".

The security forces had been told that if they found people moving around with arms, they were free to take "action" and "suppress" all militants, he added.

Mr Advani said Pakistan may have stopped cross-border shelling after India's unilateral ceasefire, but its response was "inadequate".

"We want Pakistan to exert pressure on militants to stop cross-border terrorism in Kashmir," he said, adding that the government had gone ahead with the Ramzan truce knowing that it would take long for Pakistan to do the same.

Mr Advani denied suggestions that the peace initiative was taken to garner global support.

THE STATESMAN

8 MAR 2001

Vajpayee for end to power sops

STATESMAN NEWS SERVICE

NEW DELHI, March 3. — The Prime Minister today told chief ministers that the time for free or largely subsidised power was over.

At a meeting here, the chief ministers adopted a resolution, agreeing that there was urgent need to depoliticise power reforms and hasten their implementation.

The salient features of the resolution included a proposal to levy a minimum agricultural charge of 50 paise on all consumers; ensuring that state electricity boards break even and become commercially viable in 2 to 3 years, and electrifying 80,000 remaining villages by 2007.

The meeting of the Prime Minister, finance minister, power minister, Planning Commission deputy chairman, 16 chief ministers and state power ministers resolved to ensure that SEBs were nursed to a viable fiscal health within two years.

Mr Atal Behari Vajpayee was asked to convene an all-party meeting, including leaders of the Opposition in state assemblies, to iron out disagreements on reforms.

State electricity regulatory commissions will become functional within six months and approve appropriate tariffs. Subsidies, the CMs agreed, would be given only to the extent of the state government's capacity to pay them through budget provisions.

Mr Vajpayee directed states to implement a "monitorable action plan" to

prevent electricity theft that costs the exchequer Rs 20,000 crore each year.

"Should we not resolve to eliminate these losses in two years?" Mr Vajpayee asked. "There are many categories of users who get electricity either free or at highly subsidised rates in the name of agriculture. Subsidies in deserving cases should be provided through budgetary support. They cannot be sustained at the expense of financial viability of the SEBs," he said. He asked states to raise agriculture tariffs to at least 50 per cent of the average cost within 3 years.

The Centre offered a one-time settlement for clearing outstanding dues of Rs 26,000 crore of SEBs owed to central PSUs, subject to individual states adhering to a time-bound programme to guard against future losses.

"We can think of a one-time solution to SEBs' outstandings. We can find money to help states, provided states agree to adhere to a time-bound reforms programme," Mr Yashwant Sinha said. This could be done through issue of power bonds or other similar state-specific schemes, the power minister, Mr Suresh Prabhu, told reporters.

Mr Sinha said an expert group — comprising representatives of states, PSUs, financial institutions and the Centre — could work out a package in the next 2-3 weeks for settlement of dues provided the CMs chief ministers agreed to a programme of reforms..

■ Another report on page 10

THE STATESMAN

• 4 MAR 2001

Sinha's New Deal: Bag the goodies, foot the bill

Downsize. Privatisise. Revitalise.

By Priya Ranjan Dash
The Times of India News Service

NEW DELHI: Finance minister Yashwant Sinha on Wednesday offered a New Deal for the people of India. In his budget, he undertook to downsize the government, rein in unproductive expenditure and step up support for the social sector and core infrastructure. At the same time, he lightened the tax burden on citizens and took other steps that will allow people to exercise wider economic choices. All this for unleashing India's productive energy.

No wonder the business community went ga-ga over his proposals—the Bombay Stock Exchange Sensitive Index shot up 177 points (or 4.4 per cent) in post-Budget trading. There are many proposals for industry to cheer about. These include the reduction of dividend tax, the abolition of the Kargil surcharge on individual and corporate income-tax, an extension of the tax holiday for infrastructure projects and special economic zones, and an across-the-board reduction in excise duties on consumer products such as cars, two-wheelers, refrigerators and air-conditioners. There is also continued protection of customs duties for domestic producers, even as these duties have been lowered for industrial raw materials.

The key task before Mr Sinha was to restore confidence in the economy. Going by initial reactions, he has achieved that to an extent. Even foreign investors are bullish, thanks to proposals that will further liberalise the investment regime.

A certain class of citizens—government and PSU staff and organised labour—may have reasons to worry, but for a large number of middle class Indians who work hard and pay their taxes and dream of owning a home, staying healthy and educating their children, the budget has much to offer. Farmers, landless labourers and even the poor stand to gain, on balance.

Mr Sinha's fourth budget betters his previous three and even rivals Mr Chidambaram's Dream Budget of 1997. While everyone expected the finance minister to administer a stiff dose of taxes, he

actually proposed a record giveaway—Rs 5,500 crore in individual and corporate income-tax and Rs 2,128 crore in import duties.

He proposes to gain Rs 4,677 crore in excise duties through much-needed reforms in the duty structure but promises that people will not have to pay for this. The bulk of this additional revenue will be raised from petroleum and tobacco products. The impact on petroleum products will be absorbed by the government's oil pool

educational opportunities and social security programmes, accelerating the privatisation process, and enhancing revenue through the widening of the tax base and a reasonable tax regime.

It is easy to pick holes in the budget—a feeble attempt to tax the hugely potential services sector, an addition to the maze of direct tax deductions and exemptions and only a measured step towards lowering import duties towards East Asian levels.

Mr Sinha may not have met all aspirations, including some of his own. 'Fiscal fundamentalist' Sinha concedes, for instance, that he could have done more to clear the government's financial mess (caused by the government living beyond its means year after year with disastrous consequences for the economy and the people), but chose not to do that at the cost of growth.

The FM has nevertheless taken political risks in pushing several major initiatives. This was apparent from the howl of protests his proposals on labour law reforms and privatisation evoked as he was reading them out in the Lok Sabha.

On several counts, the budget is a teaser. The details will unfold in the coming months. This is especially true of the proposals for removing price and administrative controls in four key sectors—petroleum products, fertilisers, drugs and sugar. Will decontrol mean a hike in their prices? Has Mr Sinha put off biting the bullet to make his budget saleable?

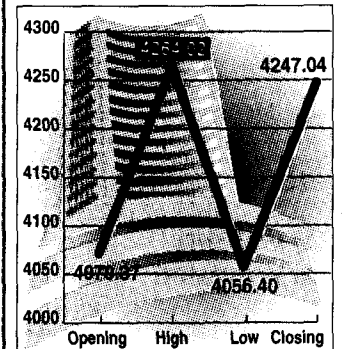
Looking at the estimates of the subsidies outgo in the budget, Mr Sinha, however, does not seem to have any intention of hiking the prices of petroleum products, urea and sugar. Although he has initiated far-reaching market reforms in these sectors, he has provided for adequate subsidies to avoid any immediate price hike.

► See Edit: Major Pluses, Small Minuses, Page 12

Feel-good factor back, Sensex zooms 177 pts

Business Times Bureau
MUMBAI: The Nasdaq fell to a two-year low and Nikkei plunged to a 15-year low, but this time, Dalal Street didn't bother with what was happening in far-off lands. The Sinha effect prompted the Sensex to zoom 177 points over the previous close of 4077, a gain of 4.36 per cent. "I see the trend continuing and won't be surprised if the Sensex crosses 4500 this week," said an analyst, reflecting the upbeat mood of the market. "The feel good factor is back," declared another.

Last year, the stock market had plummeted right after the budget, partly because Yashwant



Sinha had slapped an extra ten per cent tax on dividend payments. This time around, Mr Sinha removed it.

This, along with the 'fungibility' permission—which means that companies can now convert their ADR and GDR stocks to domestic shares—moved the market. In the limelight were tech stocks, which rallied primarily because the FM had spared this sector from service tax. Bank stocks were also buoyant, with ICICI appreciating as much as 16 per cent. Among old economy stocks, FMCGs hogged the show, with Hindustan Lever going up 11.06 per cent. All shares did not go up. For instance, a notable exception was the power sector.

The rupee also gained on expectations of large dollar inflows from foreign financial institutions (FIIs) after the FII ceiling of a 40 per cent holding in any company was raised to 49 per cent.

► Detailed report on Page 17

WHAT THE BUDGET MEANS TO..

The Student

- Private sector participation in tech education encouraged
- New soft loan scheme for higher education
- Education allowance to children of parents living below poverty line to meet expenses from Classes IX to XII
- Loan up to Rs 15 lakhs for foreign studies

The Consumer

- Power tariffs and other user charges set to rise
- Cigarettes, bids, pan masala, tobacco to cost more
- 8% excise duty on CNG; auto fares may rise
- Computers, white goods, two-wheelers, cars to cost less; massive duty on secondhand imported cars

The Business Baron

- Move towards exit policy
- Investments abroad easier
- FDI investment limit raised
- 100% FDI permitted in services, subject to conditions
- Accelerated depreciation to benefit commercial vehicles, textiles
- Crackdown likely on transfer pricing by MNCs

The Small Investor

- Administered rates on small savings cut
- Dividend tax reduced to 10%
- Tax deduction on certain interest incomes reduced
- No capital gains tax on sale of securities if they are re-invested in primary issues
- More tax concessions for investment in infrastructure

No free executive lunches any more

Business Times Bureau
MUMBAI: First appearances are deceptive. On the face of it, Yashwant Sinha has given a major bonanza to tax payers across the board by removing all but the two per cent Gujarat surcharge and bringing down the peak corporate and income tax rates to 35.7 and 30.6 per cent.

But if executives think that they will be paying less to government, they may be mistaken. Taking a cue from corporate jargon, Mr Sinha has now decided to tax employees not on their salaries but on their cost to the company. This means that all perks will now fall

The Tax payer

- 15% Kargil surcharge goes
- 2% Gujarat surcharge stays
- net you pay less
- More services in tax net
- Tax deduction on interest on housing loans hiked
- Prandler administration
- More rebate on investments by salaried people earning under Rs 1 lakh/year

CORPORATE INDIA COMMENTS..



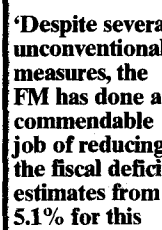
Mukesh Ambani
Vice chairman and MD, Reliance Industries

'Since we are now fully integrated into the world economy, it is important to maintain the growth momentum. I would say that the finance minister has done a good job to maintain this momentum.'



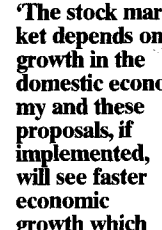
Kumaramangalam Birla
Chairman, AV Birla Group

'The 2001-02 budget is a good one which contains a lot of positives. I give the budget nine points out of ten. I view the disinvestment process as a learning curve in the right direction.'



Deepak Parekh
Chairman, HDFC

'Despite several unconventional measures, the FM has done a commendable job of reducing the fiscal deficit estimates from 5.1% for this year to 4.7% for the next financial year.'



Ketan Parekh
Stockbroker

'The stock market depends on growth in the domestic economy and these proposals, if implemented, will see faster economic growth which will automatically get reflected on the bourses.'

into the tax ambit. Analysts say that how the perks will be structured is not clear and this will depend on the rules to be separately notified.

► Detailed report on Page 17

YOU SAID IT by Laxman



He can't decide whether to say it's pro-rich, anti-poor or pro-poor anti-rich or anti-farmer, pro-labour or anti... in his speech!

SERVE AND VOLLEY: HOW THE FM FARED

TIMES



BUDGET

What we suggested

- Double allocation for health, massively step up spending on education
- Raise Rs 25,000 crore through aggressive privatisation
- 100% tax exemption on housing loans
- Cut small saving rates by 3%
- Zero duty for all infotech products
- Extend service tax to all service providers, including ISPs
- Allow contract labour, facilitate easy exit for bankrupt firms
- Cut staff strength of all ministries and government departments by 10% right away, offer attractive VRS
- Merge overlapping ministries; aim finally to have only 12 ministries

BUDGET



What he did

- Allocation insufficiently increased
- Rs 12,000 crore targeted from privatisation
- Tax deduction on interest raised to Rs 1.50 lakhs
- Rates cut by 1-1.5%
- Reduction in customs duty on infotech products
- Several services brought into tax net
- Contract labour permitted; easier closure and retrenchment allowed for establishments with up to 1,000 employees.
- Staff strength to be reduced by 10% over 5 years, VRS for surplus staff
- Six departments to be downsized

INSIDE

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Opposition calls budget anti-people, BJP leaders say it has a human face

Union budget is anti-working class: trade unions

PAGE 8

Restore food, farm subsidies: allies
Mulayam's potatoes, Sinha's mash

PAGE 13

Budget 2001: The rough road to reforms

PAGE 17

Cars, two-wheelers to cost less
This time, IT sector could not have asked for more
14 new services come under tax net

PAGE 19

Sops may fail to reduce soft drink prices
Banks expect further RBI rate cut, MFIs, FIIs jubilant

Union budget is anti-working class, say trade unions

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11-3

By Vidyadhar Date
The Times of India News Service

MUMBAI: Trade unions have reacted sharply to the finance minister's proposal to amend the Industrial Disputes Act which will make it easier for employers to effect layoffs, retrenchment and closures. The provision in the Industrial Disputes Act, which requires employers in industrial establishments to obtain prior approval of the appropriate authority for effecting such action, will now apply to industries employing not less than 1,000 workers instead of 100 at present.

Instead of giving the fundamental right of work to workers and providing more employment, the government is taking away workers' jobs, said Prabhakar Sanzgiri, president of the Maharashtra unit of the Centre for Indian Trade Unions, the labour wing of the CPM.

The move will strengthen foreign and domestic capital at the expense of labour and add to unemployment, he warned. Mr Sanzgiri said that workers stood to benefit little from the voluntary retirement scheme offered by the minister. Workers were already getting more compensation in some companies. The Goodyear unit in Aurangabad had offered 192 workers Rs 4.25 lakhs each as a separation package even though they had completed only eight years of service.

The amendment to the contract labour act will facilitate the recruitment of contract labour for permanent jobs. In Mumbai, Mr Sanzgiri said, several industries were closing down without waiting for permission from the government. The Left Front governments in West Bengal and Kerala had never given permission for closures. The entire Sion-Mulund-Thane industrial belt presented a depressing picture, as several industries were closing down.

A. V. Nachane, general secretary



of the All India LIC employees federation, said that the government seemed to be hell-bent on attacking the public sector, workers and farmers. The free hand given to 'hire and fire' was deplorable, he said. Workers must act before further serious damage was caused to the economy and the people, Mr Nachane added.

S.D. Dhopeswarkar, general secretary of the all India bank employees' association, said that while the budget sought to attack labour, it provided no energetic steps to recover thousands of crores of rupees which industrial houses owed the banks.

The finance minister had ignored the basic fact that there were very few establishments with more than 1,000 workers, said R.J. Mehta, president of the Engineering Mazdoor Sabha. Employers would now be able to do away with the voluntary retirement scheme, as the proposed amendment enabled them to get rid of workers, he said.

It was not an accident that the amendments had come at a time when the International Monetary Fund and World Bank had been pressing for removal of protection

to workers and asking governments to promote the system of contract labour, said Pius Verghese, secretary of the Mumbai committee of the Trade Union Centre of India (TUCI).

Meanwhile, the police on Tuesday prevented a morcha organised by TUCI from reaching Raj Bhavan where it was to present a memorandum to governor P.C. Alexander to protest the government's "anti-labour policies". The workers were also protesting against two recent supreme court judgments according to which contract workers cannot get the benefit of the Maharashtra recognition of trade unions and prevention of unfair labour practices act.

The only sop for labour, analysts noted, was the announcement of the Ashraya Bima Yojana, a group insurance scheme for workers affected by liberalisation. The policy would provide compensation of up to 30 per cent of the last drawn annual pay for a period of one year to workers who lost their jobs. It would cover all employees drawing a salary of up to Rs 10,000 per month. It would be run on a 'no profit, no loss' basis.

A furious CITU general secretary M.K. Pandhe labelled these provisions as "anti-working class". According to him, the provision giving companies with 1,000 employees the freedom to retrench without government permission would hit workers hard. Trade union sources said the finance minister's proposal for amendment of labour laws was deplorable, especially because the National Commission on Labour was still discussing the issue. It was an expert body and its voice should be heard, sources said. Decisions should not be taken at the behest of the World Bank and IMF, they added.

THE TIMES OF INDIA

1 MAR 2001

Opposition calls budget anti-people, BJP leaders say it has a human face

By A Staff Reporter

MUMBAI: The middle-of-the-path Union budget 2001 has expectedly received mixed reactions from political parties across the state. While the opposition has lost no time in labelling it "non-progressive and anti-people", BJP leaders termed it a "growth-oriented budget with a human face". Welcoming the reforms initiated by the Union government in the administrative and labour sectors, chief minister Vilasrao Deshmukh stated that Maharashtra had taken the lead in initiating changes in labour legislation and introducing administrative reforms.

This sentiment, however, was not shared by many others. Shiv Sena MP Sanjay Nirupam felt that the "calculus" amendment of labour laws making them applicable to institutions with 1,000 or more workers as against the earlier norm of 100 was the most "objectionable point" in the budget. Mr Nirupam felt that the budget catered more to multinational corporations (MNCs). "Reduction of special excise duty on aerated drinks will obviously benefit the two main players in the soft drinks market but might not translate into lower prices for the consumer," he said.

"This is a definite move to please MNCs and permit exploitation of our labour force," Janata Dal activist Sanjiv Chimbalkar said. Many politicians felt the budget was framed keeping in mind industrial and financial establishments and not the average citizen. "It is a pro-capitalist budget and the incentives offered to corporates need not necessarily trickle down to the common man," Mr Chimbalkar said.

Several party leaders said that the problem of unemployment and sick industrial units had not been touched upon. "More than three crore people have been rendered unemployed due to the closure of sick units. What does the budget offer them?" asked Maha-

rashtra Pradesh Congress Committee president Govindrao Adik. Similarly, no provisions had been made to bail out unemployed youth, he said. Former Congress M.P. Gurudas Kamat said that like the railway budget, the Union budget too was no cause for cheer for the ordinary citizen.

A bright spot for many was the downsizing of the government machinery and efforts to reduce government expenditure. Y.P. Trivedi of the Nationalist Congress Party termed the move a bold step in the right direction. Incentives offered in the infrastructure and housing sector would further propel the economy, said Bharatiya Janata Party Mumbai president Vinod Tawde.

"Inadequate" social sector reforms have, however, drawn flak. Mumbai Regional Congress Committee president Murlidhar Deora pointed out, "Sixty-nine per cent of the total revenue is spent on interest payments. Add to this the expenditure on defence and subsidies and there is scarcely anything left for health and education." "The budget is treading the beaten path and has nothing to cheer trade or industry," said NCP MP Praful Patel. Mr Deora echoed his sentiments and said the budget was "nothing but an extension of last year's budget".

The move to rationalise agricultural subsidies was deemed necessary to curtail the fiscal deficit according to state BJP spokesperson Atul Bhatkalkar. "Second generation reforms have now been initiated with a human face," he maintained.

Samata Party spokesperson Tansukh Dhariwal said Mr Sinha had presented an "ambitious budget independent of politics". The timely initiative to protect the agriculture sector by increasing import duties was also welcomed by him. "However, the increase in defence allocations is inadequate in view of the pressing need to modernise our forces with the latest technology and warfare equipment at a juncture when the country is facing hostile conduct from Pakistan," he said.



THE TIMES OF INDIA

281 MAR 2001

9 MAR 2001

Government faces vote on Balco today

HT Correspondent
New Delhi, February 28

BOWING TO the Opposition's demand, the Government agreed to face a vote in the Lok Sabha tomorrow on its decision to disinvest 51 per cent stake in Balco.

The Opposition's motion disapproving the Balco deal will be put to vote after a debate under Rule 184.

The Government's turnaround on the issue came during a meeting of floor leaders of major parties called by the Lok Sabha Speaker, G M C Balayogi.

The Government move was prompted by TDP's assurance that it would support the decision on Balco even though its members had criticised the deal in the Rajya Sabha yesterday.

TDP leaders conveyed to the Government that they would seek clarifications on the Balco deal but would show support for the disinvestment process by voting against the Opposition motion.

Also, the Government's floor managers decided that it could be an opportunity to show that its allies were on its side on this issue. Besides, those who were part of the Government could not vote against it even if they were opposed to disinvestment.

The BJP's other ally, Shiv Sena, which is a member of the Vajpayee Government, however, seemed determined to be give some anxious moments for a different reason. Although not too pleased with the disinvestment process, Sena chief Bal Thackeray has been cut up with the BJP for attempting to instal a new Maharashtra ministry with the help of NCP leader Sharad Pawar.

Sena sources said the party might even stage a walkout or abstain during the vote tomorrow to convey its anger over the possibility of a BJP-NCP tie-up to replace the present Congress-NCP ministry.

THE HINDUSTAN TIMES

1 MAR 2001

■ Growth through spending ■ Tough on labour ■ Smaller govt ■ Simpler taxes ■ Deficit on target

Sinha shines with bold budget

STATESMAN NEWS SERVICE

NEW DELHI, Feb. 28. — Mr Yashwant Sinha arguably presented one of the best budgets today since economic reforms were initiated a decade ago, and one didn't need the stock market's approval to know that his fourth budget has reinstilled the 'feel good' factor in more than just a cosmetic sense.

He has tackled every significant issue head-on and provided the kind of impetus to growth that few dared imagine, especially in the aftermath of the Gujarat earthquake, and the widespread stagnation reported in the government's Economic Survey presented last week.

The finance minister, even while attempting to bring in the kind of wide-ranging social security cover for a large chunk, has managed to keep his fiscal house in order, reining in the fiscal deficit at the targeted 5.1 per cent of the GDP. He plans to bring it down to 4.7 next year, along the lines recommended in the Fiscal Responsibility and Budget Management Bills now before Parliament.

The target of 3.6 per cent revenue deficit has also been maintained, he said.

A major impetus to agricultural growth, including providing Customs duty protection to domestic producers against the projected impact of the removal of quantitative restrictions, crucial and widespread infrastructure investments and rationalisation, including levying real user charges for power, some radical changes in labour laws, a pruning of multifarious indirect — especially excise — taxes, and a distinctly defined

move to downsize government and cut wasteful subsidies have been the key thrust areas of Mr Sinha's budget for 2001-2002. His macroeconomic strategy has clearly been to stimulate growth through increased spending and by discouraging savings. In doing this, he has indicated a reduction in small-savings and provident fund

interest rates by 1.5 per cent. Removing surcharges on both corporate and personal income taxes will leave more disposable income in individual hands.

The budget proposes a reduction of administered interest rates, moderate hike in postal services, dereservation of 14 small-scale industries, enhancing the foreign insti-

tutional investment limit from 40 to 49 per cent, and steps to liberalise capital account convertibility.

In his 110-minute speech in the Lok Sabha, Mr Sinha also announced that competition would be allowed in all service segments in telecom. The span of drug prices control will be reduced substantially to boost

the pharmaceutical sector.

Pension reforms include a new programme based on defined contributions to those entering government service after 1 October 2001.

As the first step towards full decontrol of the sugar sector, he has introduced futures and forward trading in the commodity, while retaining its inclu-

sion in the public distribution service for those below poverty line, albeit at an enhanced price.

The steps towards industrial restructuring and establishing an improved bankruptcy system include repealing of SICA and amending the Companies Act to set up a national company law tribunal. Changes in the Industrial Disputes Act,

including contract labour laws, will give manufacturers greater flexibility in hiring and firing, while providing a cushion to the retrenched and surplus work force.

Banking sector reforms cover setting up of seven more debt recovery tribunals and new legislation to facilitate foreclosure and enforcement of securities in cases of default to check the mounting burden of non-performing assets (NPAs).

Dereservation of the small-scale sector includes leather goods, shoes and toys. The exemption limit has been doubled to Rs 1 crore from 1 September, 2000.

On government downsizing, Mr Sinha said surplus staff would be identified by July and those in the surplus pool would be offered an attractive VRS package. Central staff strength will be curtailed by 2 per cent annually by restricting fresh recruitment to 1 per cent.

As about 3 per cent of the staff retires every year, this would achieve a reduction of 10 per cent in five years, as targeted by the Prime Minister. He also proposed to begin with his ministry, abolishing the posts of three secretaries and two joint secretary-level posts in the department of economic affairs. He said the government would implement the recommendations of the Expenditure Reforms Commission.

■ See BUDGET: page 2

Editorial: Well done, FM!
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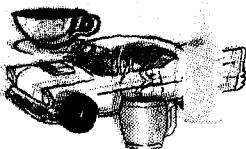
BUDGET 2001 - 2002

AT A GLANCE

- Fiscal deficit target achieved
- Civilian staff to be downsized
- LTC for govt staff suspended for two years
- Interest on PF and small savings cut by 1.5%
- Govt to adhere to deadline for dismantling of administered pricing mechanism
- Banking Service Recruitment Board abolished
- Service tax net expanded
- All companies to file tax returns
- Privatisation of PSUs to be stepped up
- Dereservation of 14 SSI items
- FII limit up from 40% to 49%
- Sugar to be decontrolled
- Essential Commodities Movement Act to be reviewed
- Journalists' Welfare Fund to be set up
- Exemption of housing loan repayment ceiling hiked to Rs 1.5 lakh
- CENVAT reduced to a single rate of 16%
- Central Plan assistance to states and Union territories increased
- Ceiling on acquiring foreign company shares increased
- Tax holiday for infrastructure projects

PRICES UP

PDS sugar
Edible oils, tea, coconut, coffee
Postal rates
Imported second-hand cars
Cigarettes, bidi, pan masala

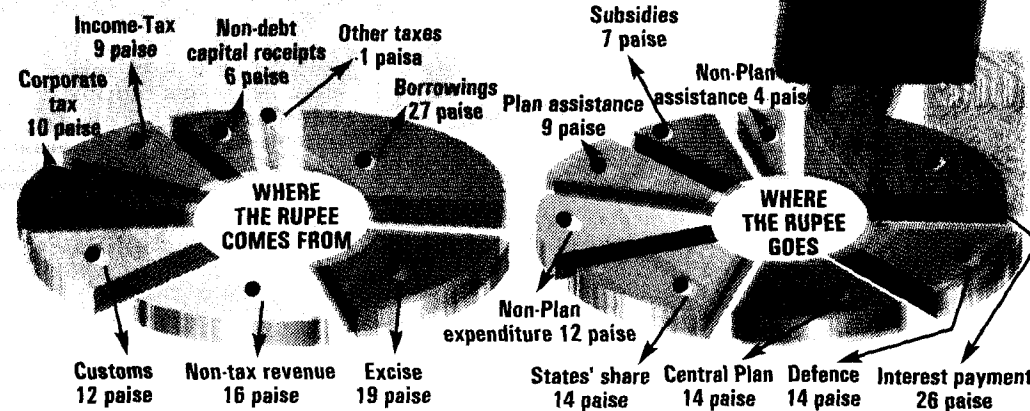


PRICES DOWN

Processed fruit/vegetables
IT and telecom products
Cement
Drugs
New cars

DIRECT TAXES

- No change in Income-Tax rate
- Surcharge on I-T, except, Gujarat cess withdrawn
- Income between Rs 40,000 and Rs 1 lakh to get 30% exemption under Sec 88, up from 20%
- Dividend tax on UTI and mutual funds cut to 10%



The Statesman infographic by Kumal and Dipankar

Anger over railway budget 'apathy' snowballs BJD threatens to get off NDA train

K RAVI

STATESMAN NEWS SERVICE

BHUBANESWAR, Feb. 27. — In a sharp reaction to the rail budget, the Biju Janata Dal Parliamentary Party has unanimously decided to withdraw from the NDA government and extend 'outside support'.

The decision, taken at New Delhi today, is yet to be cleared by the party president and Orissa chief minister, Mr Navin Patnaik.

Sources told **The Statesman** that the BJD Parliamentary Party, which was attended by its two Central ministers, Mr Arjun Sethi and Mr BK Tripathy, adopted the strongly-worded resolution, stating its wish to withdraw from the NDA government.

Though the railway budget was the immediate provocation, several other areas of Central 'neglect' and 'apathy' also figured at the meeting. The sore points were the cyclone and drought relief assistance and the refusal to the state

government's plea for waiver or rescheduling of its loans.

"We have adopted a very strong resolution and it will be sent to Mr Navin Patnaik," an MP said. He refused to divulge the contents of the resolution, saying it would be made public after Mr Patnaik clears it.

With a sizeable section of party MPs opposed to Mr Patnaik, the gameplan of putting the ball in his court could be politically significant because his rivals have now deftly put the onus on him.

Mr Patnaik, who sharply criticised the budget, reportedly told his MPs to meet the Prime Minister before taking any decision. He was evasive when asked if he would withdraw from the government.

Reacting to Miss Mamata Banerjee's statement that his demands had been accommodated, he said: "I had requested for Rs 505 crore. The budget has provided Rs 179 crore for Orissa. The allotment of Rs 43 crore for new lines under BOLT scheme is incon-

sequential as none of the BOLT projects has taken off till date."

He was also critical of the slashing of the electrification project for the Vishakapatnam-Kharagpur line by half, when the project was to be completed by 2002-2003.

He also slammed the allotment of a meagre Rs 5 lakh for the East Coast Railway Zone, an "emotive" issue.

Miss Banerjee, however, today said the BJD's fulminations had more to do with its "internal politics" than the budget.

The BJD leader and Orissa finance minister, Mr Ramakrushna Patnaik, was more vehement than his leader. "Miss Banerjee should resign. She has displayed her parochial feelings," he said.

The Orissa unit of the BJP, however, has been appreciative of the budget. The BJP spokesman said the allocation is not Rs 179 crore, but Rs 262 crore — more than that of the previous year.

■ More reports on page 8

THE STATESMAN

28 FEB 2001

Mamata rules out mid-year passenger fare hike

9-25-01
HTF 25/2

HT Correspondent
New Delhi, February 27

RAILWAY MINISTER Mamata Banerjee today ruled out any possibility of a passenger fare hike during the next financial year.

Talking to reporters, she said her political rivals were talking about a possible fare revision.

Banerjee was emphatic that by not raising passenger fares, she had kept in mind the welfare of the people.

In a separate clarification, the Railway Board today denied media reports "on the subject of increase in passenger fares attributed to the chairman of the board". The chairman had not "stated" that the passenger

and therefore, there is no immediate need to revise the fares upwards". The reports quoting the chairman on possible increase in fares was "a distortion of facts", the Railway Board said. Mamata Banerjee said although the railway's annual plan for 2001-2002 was Rs 11,090 crore, she had allocated Rs 3,000 crore on safety works. She hoped the Prime Minister would "do something" about safety fund.

One of the reasons, she argued, the railways faced financial crunch was due to the fact that it had to meet the pension liabilities of its employees. The burden was substantial since the railways employed 40 per cent of the total Government workforce. The figure had reached Rs 5,800 crore—Rs 633 crore more than in the previous year. Pension of the remaining 60 per cent Government employees were paid out of the general exchequer. Besides, railways received no compensation from the Government for meeting social obligations that include ferrying goods and people free of charge during calamities.



MAMATA SKIPS BUDGET

MAMATA BANERJEE won't be present in the House when Finance Minister Yashwant Sinha tables the Union Budget on Wednesday. The Railway Minister rushed back to the city on Tuesday night, fuelling speculation that she is peeved with NDA allies Shiv Sena, BJD and the TDP. MPs of these parties have berated her for presenting a Bengal-centric budget. Party insiders, however, insisted there was nothing amiss between the minister and her NDA allies.

HTC, Kolkata

Such fears, Banerjee claimed, were spread on the last time too. It was for everybody to see that she had stuck to her decision and the fares were not raised during the year, she said.

fares would be increased during the year, the statement added.

The clarification said the chairman had answered a question saying that passenger earnings "have been very buoyant

THE HINDUSTAN TIMES

28 FEB 2001

GoM report seeks to delink key posts in PMO

The Times of India News Service

NEW DELHI: Home minister



L.K. Advani
Committee headed by K. Subramanyam.

L.K. Advani on Monday handed over to the Prime Minister the report of the Group of Ministers (GoM) on feasibility of recommendations made by Kargil Review Committee headed by K. Subramanyam.

The 137-page report, containing six chapters and an epilogue, details proposals to equip the nation to effectively deal not only with the existing security threats but also the myriad new and emerging security challenges, official sources said.

The first chapter deals with the GOM's terms of reference and its work methodology; second presents an overview of the challenges to the management of national security; third deals with intelligence apparatus; fourth with internal security and fifth with the management of defence.

Interestingly, the report has largely remained silent on the Kargil Review Committee's (KRC's) moot suggestion for creating a full-time post of national security adviser.

The KRC, also known as Subramanyam Committee, in its report on the security lapses that led to the Kargil War and the measures needed to plug these loopholes, had recommended the delinking of offices of the PM's principal secretary and national security adviser.

Both the posts are currently held by Brajesh Mishra.

While the KRC probed events leading to the Pakistani aggression in Kargil and recommended measures necessary to safeguard national security against such armed intrusions, the GOM reviewed the national security system in its entirety.

It also considered the recommendations of the KRC and formulated specific proposals for implementation, sources said.

To facilitate its work, the GOM set up four multi-disciplinary task forces: on intelligence apparatus headed by G.C. Saxena; on internal security led by N.N. Vohra; on border management by Madhav Godbole; and on management of defence headed by Arun Singh.

The TFs took into account not only the observations and recommendations of the KRC but also of several other relevant committees, government sources said. They also interacted with the concerned administrative ministries so as to keep in view their perceptions of problems and issues as well as the feasibility of the various recommendations they made, the source added.

Besides Mr Advani, who chaired the GoM, the other members were defence minister George Fernandes, external affairs minister Jaswant Singh, finance minister Yashwant Sinha, and the National Security Adviser as special invitee.

OF INDIA

B 2001

Passengers spared, modest increase in freight rates

HPD-1
27/2

By Our Special Correspondent

NEW DELHI, FEB. 26. For the second year running, Ms. Mamata Banerjee refrained from increasing passenger fares for any category and recommended a modest increase of one to three per cent in freight rates for most commodities in the 2001-02 Railway Budget. Transportation rates for essential commodities, parcels and luggage and urea were exempted from the hike. The new freight rates, to come into effect from April 1, are expected to generate an additional Rs. 500 crores in a full year.

While presenting the Budget to Parliament today, Ms. Banerjee was able to avoid increasing passenger fares mainly because the Finance Minister, Mr. Yashwant Sinha, deferred a major proportion of the dividend payable by the Railways to the Central Exchequer. Had payment of dividend of Rs. 1,000 crores not been deferred, the Railways would have definitely slipped into the red. This enabled Ms. Banerjee continue the concessional monthly season ticket scheme for the poor, considered populist as a lot of subsidy is involved.

Despite Mr. Sinha's munificence, a mid-course correction of freight and passenger fares, possibly after the West Bengal elections, seems inevitable. Freight rates might go up again with Ms. Banerjee proposing a special cess

on freight traffic through congested routes. An exercise would be conducted to identify these routes and the cess would augment the capacity on these sections.

If the hint given later by the Railway Board Chairman, Mr. Ashok Kumar, was any indication, there could be a mid-year correction in the highly subsidised passenger fares too. "We will see how the year proceeds. There could be a need to revise passenger fares which can be done anytime," he said at a post-Budget briefing. Mr. Kumar refused to speculate on the possibility of a supplementary Budget after the Bengal elections.

on freight traffic through congested routes. An exercise would be conducted to identify these routes and the cess would augment the capacity on these sections.

Vociferous protests

For the first time, the Railways admitted to a severe shortage of funds and announced a complete freeze on new projects, leading to vociferous protests in the Lok Sabha, including from the BJP's allies, the Shiv Sena, the Biju Janata Dal and the Telugu Desam Party. But the resource crunch did not prevent Ms. Banerjee making a generous allocation to her home State, which gets seven of the 24 trains proposed for the next fiscal. "Is Bengal not part of India?" she queried after members protested her "partiality". The Minister also announced the introduction of a Rajdhani Express to the newly-created capitals of Jharkhand and Chattisgarh.

No privatisation, says Mamata

NEW DELHI, FEB. 26. The Railways would not be privatised, Ms. Mamata Banerjee told the Lok Sabha today while presenting the Railway Budget.

"We have already set in motion various reform measures and efforts are under way to generate resources through non-traditional sources," she said.

The Minister said, "we feel that no reforms can be successful without the people's full involvement and I would like to assure the House that the Railways will not be privatised." — PTI

Ms. Banerjee announced new initiatives to increase the share of freight transport by rail from 40 to 50 per cent. Some of the initiatives were unfulfilled promises made in previous Budgets and others were an extension of the earlier initiatives. They include further decentralisation at the field level, extension of the volume discount scheme for another year, extension of the truck roll-off-roll-on experiment to the Chennai-Calcutta and Ahmedabad-Nabha routes and special lump sum rates for movement in



The Railway Minister, Ms. Mamata Banerjee, along with the Minister of State, Mr. Digvijay Singh, arriving at the Parliament House to present the Railway Budget on Monday.
— Photo V.V. Krishnan

"merry go round circuits over short stretches." The freight loading target has been kept at 500 million tonnes against 475 million tonnes for the current fiscal.

2000-01 estimate of Rs. 406 crores.

The annual plan was fixed at Rs. 11,090 crores despite a slippage of

Efficient goods transport

Ms. Banerjee promised further efficiency in freight movement and the possibility of enabling anxious customers track the movement of goods with the completion of a much-delayed and expensive computer project, Freight Operations and Information System (FOIS), by June.

Undeterred by the failure to raise resources through non-traditional means, Ms. Banerjee has once again pinned her hopes on raising a substantial proportion of income from these sources in the next financial year as well. The Minister expects that leasing of spare telecom capacity will fetch Rs. 700 crores, Rs. 200 crores from commercial exploitation of land and Rs. 100 crores through publicity on wagons and stations.

Despite failing to raise the targeted resources this year, ambitious allocations have been fixed for safety-related work. Track renewals have been earmarked Rs. 2,680 crores for 2001-02 although only Rs. 2,216 crores could be mustered this year as against the target of Rs. 2,600 crores. Signal and telecom was given Rs. 386 crores though Rs. 347 crores may be utilised this year against the

Rs. 1,000 crores in the current year's Plan. Budgetary support has been maintained at Rs. 3,540 crores, market borrowings have been hiked to Rs. 4,000 crores (Rs. 3,668 crores this fiscal) and internal resources were expected to contribute Rs. 3,550 crores.

Petroleum Ministry to study impact

NEW DELHI, FEB. 26. The Petroleum Minister, Mr. Ram Naik, today said his Ministry would study the impact of the hike in freight charges proposed in the Railway Budget on petro products before taking a decision on whether to pass the burden onto the consumers or not. Asked if the Petroleum Ministry would absorb the increased cost of transportation of petroleum products, which were still under the administered pricing mechanism (APM), Mr. Naik said, "We will examine the proposed hike in tariff and its impact on the APM of petroleum products." — PTI



HIGHLIGHTS

NEW DELHI, FEB. 26. The following are the highlights of the Railway Budget for 2001-02 tabled in Parliament today:

- No increase in passenger fares of any class or category of trains.
- Freight rates go up by three per cent except for essential commodities and a few select items.
- No increase in freight rates for sugar, salt, grains and pulses, edible oils, kerosene, fruits and vegetables, LPG.
- A two per cent increase in freight rates for coal and iron and steel.
- No increase in rates of parcel and luggage.
- Freight hike to generate additional revenue of Rs. 500 crores during the fiscal 2001-02.
- Newspaper, magazine and medicine to be exempted.
- Concessional monthly seasonal ticket for people below the poverty line to continue.
- Concessions available to orthopaedically handicapped and paraplegic persons to be extended to the visually handicapped and mentally handicapped.
- Gross traffic receipts estimated at Rs. 39,439 crores in 2001-2002.
- Net railway revenue projected at Rs. 1,683 crores.
- Dividend to Government estimated at Rs.

2,352 crores in the next fiscal.

- Pensionary liability to increase eight-fold to Rs. 5,800 crores during 2001-02 from Rs. 633 crores in the current financial year.
- Total working expenses estimated at Rs. 38,684 crores.
- Passenger services between Petrapole in India and Benapole in Bangladesh likely to begin; goods traffic opened recently.
- 425 km of rail track to be electrified in the next financial year.
- 24 new trains including New Delhi-Raipur-Bilaspur weekly Rajdhani Express and New Delhi-Ranchi-Hatia weekly Rajdhani Express to be introduced.
- Matribhumi Expresses to run during peak seasons on seven routes including Delhi-Jammu, Howarah-Delhi, Mumbai-Gorakhpur, Hyderabad-Bangalore and Mumbai-Varanasi.
- Automatic teller machines to be used for ticketing at important stations.
- To reduce congestion at ticket counters, it is proposed to use Internet kiosks for ticketing.
- Allocation for new lines increased to Rs. 1,015 crores during 2001-02.
- Changes in rates and classifications effective from April 1, 2001. — PTI

INSIDE

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Mamata denies she is partisan: Page 14
Challenges ahead: Page 15

Brajesh twin-post debate in Atal court



Mishra in Delhi. (AP/PTI)

FROM OUR SPECIAL CORRESPONDENT

New Delhi, Feb. 26: Steering clear of controversy, the Group of Ministers (GoM) set up to make recommendations on strengthening national security has left to Atal Bihari Vajpayee the matter of delineating the offices of principal secretary to the Prime Minister and national security adviser.

The four-member group, chaired by home minister L.K. Advani, is learnt to have left it to the discretion of Vajpayee to settle the issue of separating the two offices, concurrently held by Brajesh Mishra.

The GoM, which was set up in April last year to study the gamut of national security and make specific recommendations on intelligence, defence and border management and internal security, submitted its report to the Prime Minister today.

Mishra's detractors, both within the government and outside, have been alleging that he has become an "extra-constitutional authority" with overriding and unchecked powers.

The Kargil committee report had specifically recommended separation of the two responsibilities. K. Subrahmanyam, senior defence analyst and chairman of the Kargil Review Committee,

had recently spoken out against Mishra continuing as national security adviser as well as principal secretary.

The inter-ministerial group of top officials, which studied the recommendations made by four task forces on intelligence, defence, border management and internal security, had also skirted the "sensitive" and "ficklish" issue.

The task forces were headed by Jammu and Kashmir Governor and former Research and Analysis Wing (RAW) chief, G.C. Saxena, adviser to the external affairs ministry, Arun Singh, former home secretary Madhav Godbole and former principal secretary to

L.K. Gujral, N.N. Vohra.

It seems neither the inter-ministerial group nor the GoM could muster enough courage to make a recommendation on "what office Mishra should hold" because of the Prime Minister's "continuing confidence" in him.

However, Mishra has not called a single meeting of the National Security Council since it was set up by the BJP-led National Democratic Alliance in 1998.

The 138-page report has recommended creation of the post of a chief of defence staff, handing over the task of counter-intelligence in the "near abroad" to the Intelligence Bureau and setting

up of a central law enforcement agency to tackle "federal crimes".

The GoM is in favour of stricter patrolling of the Indo-Nepal border by the paramilitary Special Services Bureau (SSB) which has now been brought under the home ministry.

It has recommended replacement of the Foreign Contribution (Regulation) Act, 1976, with a new legislation to monitor the utilisation of foreign donations.

According to official sources, the epilogue of the report provides guidelines for effective implementation of the recommendations.

9-8 212

THE TELEGRAPH

27 FEB 2001

Govt. puts BALCO sell-off on hold ^{29/2}

*Deal papers will be put before
CAG, says Arun Shourie* ^{9/11-1}

NEW DELHI: The government on Friday indicated that the deal to disinvest in BALCO was being put on hold in view of the discussion on the issue in parliament. The opposition and treasury benches appeared to be headed for a major showdown with the Congress and the Left parties planning moves for a vote on what they have been calling the "BALCO sell-out".

"How can I say that an agreement has been reached when the issue is to be discussed in parliament?" disinvestment minister Arun Shourie told media-persons here. He said the government would place all documents on the sale before the Comptroller and Auditor General to prove that the deal was done in a transparent manner.

The issue rocked both Houses of parliament again on Friday. Both Houses were forced to adjourn proceedings for more than three hours with an agitated opposition accusing the government of being hand-in-glove with certain industrialists in the disinvestment in the profit-making PSU which had a reserve and surplus of Rs 469 crore.

The Business Advisory Committee (BAC), which met on Friday afternoon, failed to find a solution for BALCO as the Congress stuck to its stand for a discussion under Rule 170, a censure motion entailing voting.

However, parliament sources

said the government was not agreeable to the suggestion and asked the opposition to reconsider its stand.

The discussion in the Rajya Sabha, where the government lacks a majority, is likely to be held on Tuesday, while the debate in the Lok Sabha could take place on March 1.

'Issue of tribals' rights

TOI News Service

NEW DELHI: Consider these facts. In 1965, the Madhya Pradesh government allotted about 1,650 acres of tribal land in Korba district, now in Chhattisgarh, on a 99-year lease to the BALCO. Apart from this, BALCO's three captive mines in Phutkapahar, Amarkantak and Mainpat also belong to tribal areas.

Chief spokesman of the Congress S. Jaipal Reddy said the party wanted a discussion in the Lok Sabha under Rule 184 which provides for division. "The government must come clean on the issue," he said, adding that the party was totally opposed to the deal. He maintained that the PSU had made a post-tax profit of Rs 110 crore in 2000-2001.

Countering the opposition charge, minister for disinvestment Arun Shourie said the disinvestment was "entirely in consonance with what the disinvestment commission had recommended in its fifth report". The report had stated that "the government can consider offering 51 per cent or more of its shares to a buyer or a strategic partner".

Rejecting reports that BALCO had made Rs 110 crore profit this year, he said the process of disinvestment in BALCO had been going on for the last four years and in the last two years, its profits had been steadily declining, touching Rs 25 crore in 2000-'01. (PTI)

THE TIMES OF INDIA

24 FEB 2001

TO be stormy

STATESMAN NEWS SERVICE

PATNA, Feb 22. - The Bihar Assembly is likely to witness a stormy budget session. Issues like non-reservation of backward classes in the panchayats, poor procurement of paddy and alleged rackets in the state will come up.

All major Opposition parties including the BJP, Janata Party, the JD (U) and the Samata Party are gearing up to grill the government on several other issues. They include continuation of two chairmen of the Bihar PSC and non-appointment of vice-chancellors in the universities.

Leader of Opposition in the House, Mr Sushil Kumar Modi today demanded 'sacking' of state excise minister, Mr Shivanand Tiwary for his



Mrs Rabri Devi

House. He pointed out the minister and his department had passed two contradictory orders on the issue of granting or renewing license to liquor traders in the state.

Mr Modi said one order 'stipulated' the excise department would not stop issuing

ment would not renew or issue license to those who had not cleared their sales tax dues.

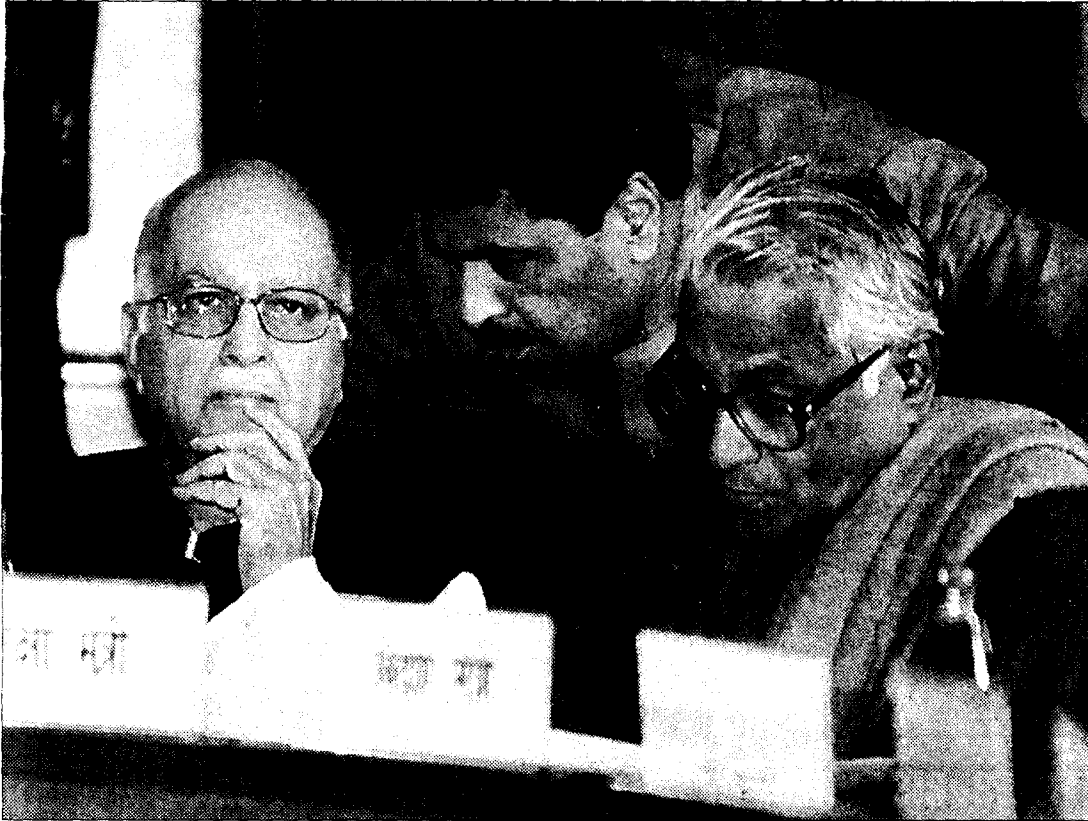
He said that the minister in order to 'make wrongful gains' used the orders 'according to his convenience.' Mr Modi said the minister got the excise secretary, Mr S. K. Sinha removed overnight when the latter renewed the license of two liquor traders against Mr Tiwary's wishes. 'The secretary renewed the license using the order which stipulated that the department would not stop renewing the license of those owing revenue by way of sales tax to the Government' Mr Modi described Mr Tiwary as a 'past master in the politics of blackmail.'

The House is likely to witness storm on the continuance of two chairmen of the

THE STATESMAN

23 FEB 2001

Vajpayee extends Kashmir ceasefire beyond Feb 26



TALKING HEADS: Union ministers L.K. Advani, George Fernandes and Pramod Mahajan at an all-party meeting in Parliament House on Wednesday. — PTI

Our Political Bureau
NEW DELHI 21 FEBRUARY

THE VAJPAYEE government — which has been desperately trying to create an impression that there was no vacillation in the Kashmir strategy and that the ceasefire was not an end in itself but a means to achieve an end — on Wednesday extended the peace initiative beyond February 26.

The Cabinet Committee on Security endorsed the prime ministerial establishment's decision after an all-party meeting gave guarded support to the ceasefire. The spurt in civilian casualties following intensified attacks by the Lashkar-e-Toiba and other Islamabad-sponsored outfits during the ceasefire period, apart from Pakistan's failure to reciprocate New Delhi's peace gesture, have left the political class wondering whether the initiative has any political or diplomatic content.

The Prime Minister is expected to ram in the point that the government will intensify action against the militants if they violate the ceasefire. He is also expected to tell Parliament on Thursday that the ceasefire did not mean an end to operations against militants, who would be dealt with proactively.

Although a large section of the political class is of the view that Mr Vajpayee is going ahead with the ceasefire like an inveterate gambler, hoping that the next round would be successful, none of them want to be seen as laying any roadblocks before the peace process.

This suits the Prime Minister right now, but any worsening of the ground situation will attract major criticism. As it is, Mr Vajpayee's own party is not convinced that the move has made a substantial difference in the security scenario.

The prime ministerial establishment, which is still hopeful that the diplomatic brownie points that the government has scored through the ceasefire decision would ultimately pay off, does not appear to have a clear roadmap.

The overriding considerations of the Kashmir policy, it is felt, should be more than merely protecting oil pipelines in Gujarat that are vulnerable to Pakistani attack.

The human cost involved in the ceasefire was rammed in by virtually every participant at Wednesday's all-party meeting. Samajwadi Party leader Mulayam Singh Yadav said the security agencies should be closely

involved in the whole exercise and their inputs should be the guiding factor.

Mr Yadav's stand was endorsed by the Left and the AIADMK. It may be recalled that the security agencies have been privately doubting the efficacy of the exercise as they have become the targets of Pakistan-sponsored militants.

The Prime Minister, who is apparently of the view that abandoning the ceasefire at this juncture would be counter-productive, fielded Union home minister L.K. Advani to defend the government's position at the all-party meeting.

Mr Advani said the people of the state have wholeheartedly welcomed the ceasefire, which has also resulted in the isolation of Pakistan in the international fora. "Although firing across the border has virtually stopped, the militant menace inside the country was still continuing," he said. The home minister also conceded that the ceasefire period had witnessed more civilian deaths as also "demonstrative incidents" like the attack on Red Fort here and the massacre of Sikhs in Srinagar.

At the meeting, the lack of unanimity within the government came in for criticism.

The Economic Times

22 FEB 2001

PM for truce extension

Jay Raina
New Delhi, February 20

PRIME MINISTER Atal Bihari Vajpayee wants the ceasefire in Kashmir extended. But his Government is still undecided about letting Hurriyat leaders visit Pakistan.

Tomorrow's meeting of the Cabinet Committee on Security (CCS) is thus unlikely to throw up any surprises. The cessation of combat operations by troops in the troubled State beyond February 26 is a near certainty, say Government sources.

They said that even the sceptics in the CCS have reconciled to the idea of sustaining the peace initiative.

Vajpayee's determination to persist with the ceasefire is well known. But the CCS conclave has been convened to sort out internal differences and broaden the decision-making exercise.

The all-party meeting the Prime Minister has convened prior to the late evening Government-level discussions, is part of a larger consensus-building process on his Kashmir policy.

The move to bring the Opposition on board also reflects the Centre's concerns about increasing criticism of Vajpayee's handling of Kashmir.

Vajpayee has drawn flak not just from the Opposition, but

also from friendly parties such as Chandrababu Naidu's TDP.

As the Ramzan cease-combat directive to the security forces had gone straight from the PMO, Vajpayee and his close advisors might face an inquisition of sorts at the all-party meeting. Insiders said the CCS meeting could also be stormy in view of the Home and Defence Ministries' marginal role in overall policy formulation. These ministries appear to be harbouring apprehensions about the dividends the ceasefire has yielded thus far.

But official sources said even hawks in the CCS were expected to fall in line as there was no alternative to the proposed

cease-fire extension. With mercenary groups hell bent on forcing an end to the ceasefire, the Government would only be playing into their hands by letting the troops loose.

According to a pro-extension PMO hand, the reasons behind the Ramzan initiative are still valid. He said: "Withdrawing the ceasefire now would be like playing 'snakes and ladders' with the Kashmir peace initiative". India would also lose the diplomatic mileage it has drawn out of the move. Besides, a renewal of hostilities could result in the alienation of the large pro-peace constituency in the Valley.

Related report on Page 9

THE HINDUSTAN TIMES

THE HINDUSTAN TIMES

21 FEB 2001

Decision on truce deferred

Ostensible reason: Discussion on earthquake went beyond schedule

Jay Raina
New Delhi, February 18

THE FATE of the controversial Ramzan cease-fire in Jammu and Kashmir hangs in balance following the postponement of the crucial Cabinet Committee on Security (CCS) meeting here this evening.

The CCS was expected to take a final decision over the extension of the cessation of combat operations in the troubled State beyond February 26.

Official sources attributed the CCS postponement to the marathon three-hour long National Committee on Disaster Management discussions on the Gujarat earthquake.

But, according to the top Government sources, the last-minute decision to defer an announcement on further extension of cease-fire was taken to buy more time for wide-ranging parleys amongst the proponents and opponents.

Even as Prime Minister A B Vajpayee and his close aides are caught in a Catch-22 situation in pushing forward a decision in favour of further extension of the cease-fire, owing to pressure from the Sangh Parivar hawks including a few senior Cabinet Ministers to call it off, the PMO is expected to subject the whole gamut of its Kashmir policy to a thorough review in the intervening period before scheduling the next CCS meeting. The review may include government's stance over the long-delayed Hurriyat peace-mission to Pakistan.

9-20-94

Army says sorry; Hurriyat men held

THE ARMY on Sunday expressed regret over the deaths of protesters in Haigam and Maisamma on Thursday and Friday respectively.

"On our part, I give you my solemn word that those of my men who are blameworthy will be brought to book and dealt with according to the law," the Army's 15 Corps chief John Ray Mukherjee told mediapersons.

About half-a-dozen top leaders of the All-Party Hurriyat Conference were detained on Sunday. Among those put under house arrest were Professor Abdul Gani Bhat and Syed Ali Geelani. Yasin Malik and Javid Ahmad Mir were under detention

in the Kothibagh police station. Shabir Shah was kept in detention for a second day.

Mirwaiz Omer Farooq, Abdul Gani Lone and Shaikh Abdul Aziz are away in Delhi.

"They have been arrested to prevent them from going to Haigam where these leaders are giving provocative speeches instigating violence," said a official.

A curfew was imposed on parts of Srinagar in a bid to dampen tension, the police said. In Srinagar, two protestors were injured in the shooting, one seriously, while 18 people were hurt in running clashes between the police and protesters, they said.

HTC, Srinagar

Notwithstanding Mr Vajpayee's yesterday's remarks that "the cease-fire had failed to deliver the desired results", an overwhelming majority of Kashmir experts within the PMO are understood to be in favour of its extension, though with some conditionalities.

The PM's aides are wary of reversing the ongoing peace-process, in case, the cease-fire is called off. Besides, its international ramifications, the move could be used by Pakistan and several *jehta* organisations operating from its soil to ques-

tion "India's sincerity" in working out a negotiated settlement of the problem. It would also send wrong signals to the people of Kashmir, who have generally welcomed the Centre's unilateral Ramzan truce announcement.

The CCS meet postponement, according to sources, has also been influenced a great deal by the prevailing tense situation in Kashmir following the killings of six civilians near Haigam on Srinagar-Sopore highway leading to curfew in several parts of the Summer Capital of the State.

"Any decision at this point of time can lead to confusing signals," the sources explained, saying that the Centre would take few more days to finalise its decision. "There is ample time till February 26, to clinch an announcement," they asserted.

The Centre had on November 27 suspended counter-insurgency operations against militant groups for the Muslim holy month of Ramzan. The truce had twice been extended and it is due to expire on February 26.

The Prime Minister admitted yesterday the cease-fire had not brought an end to the violence. "The cease-fire did not achieve the results that were expected. Violence in Kashmir has not ebbed and we had thought Pakistan would be able to rein back the terrorists but it has failed," he said in Mumbai.

However sources say the PM is in favour of extending the truce. There has been a series of daring militant attacks during the cease-fire.

Behind the news: Army, paramilitary forces differ on virtues of extending cease-fire—Page 13

'NO DISCRIMINATION AGAINST MINORITIES'

BJP Govt. committed to federalism, says PM

By Our Special Correspondent

COIMBATORE, FEB. 16. The Prime Minister, Mr. Atal Behari Vajpayee, today asserted that his Government truly believed in federalism and was totally committed to it. Addressing a public meeting here, he said his Government believed that regional parties should have a say in the management of national affairs.

"Past experience" had shown that Tamil Nadu did not benefit whenever there was a conflict between the Centre and the State. During the past three years, there had been no conflict between the Centre and any State and there had been a more "harmonious relationship now than any other time in the past," he said.

Mr. Vajpayee said he had been faithful to his promise of providing a "clean Government." Not even a single scandal had occurred in the past three years of his regime, he said and added that he would strive to root out corruption. Cautioning against corruption which had played havoc with the nation, he said, "the people of Tamil Nadu know very well how corruption has disfigured politics and governance. The resources meant for development and welfare had been misused for personal enrichment and pomp."

He said there was a time when the BJP did not have any allies. "Now it has a number of allies in Tamil Nadu itself." His party had now been accepted as a principled one. It was trusted and it carried its alliance partners with it.

"You have also seen how our alliance (NDA) has worked for the benefit of Tamil Nadu," he said and sought a favourable mandate for the NDA.



The Prime Minister, Mr. A. B. Vajpayee, lighting a traditional lamp to mark the inauguration of the Swadeshi Industrial Fair in Coimbatore on Friday. The Union Minister for Rural Development, Mr. Venkiah Naidu, the Minister for Environment and Forestry, Mr. T.R. Baalu, flank him. — Photo: S.R. Raghunathan

Referring to the welfare of minorities, the Prime Minister assured that there would be no discrimination. However, if some people were to assert their rights through "gun and bomb" it would be sternly put down. He was against "all forms of communalism and terrorism."

At the same time, he warned the "terrorists and their sponsors" who were indulging in cross-border terrorism in Kashmir that his Government would emerge victorious in quelling them too as it had done in Punjab. They would have to learn their lesson from Kargil, he added.

The Prime Minister also referred to the various measures initiated by his Government to establish the country's self-confidence and self-reliance. It refused to be 'bullied' by any external power. It went ahead with the

Pokhran test knowing full well that it was not palatable to many countries. "The same powers who were critical of that were now extending their hands of friendship."

Expressing his profound regret to the victims of the serial bomb blasts in February 1998 in Coimbatore, he renewed his pledge made in 1974 that he would safeguard Tamil Nadu if there was any danger.

At the same time, he said "no sacrifice is small in the defence of the country's unity, integrity and security."

'Self-reliance still relevant'

Our Staff Reporter writes:

Speaking at the inauguration of the Swadeshi Industrial Fair here, the Prime Minister said only self-reliance can build a modern India and outside assistance should

play only a supplementary role.

Mr. Vajpayee said 'swadeshi', understood as *swavalamban* (self-reliance), was relevant in the present era of globalisation.

"India of our dreams cannot be built by following the path of *paravalamban* (dependence on others)," he said.

Lauding the entrepreneurs of Coimbatore, Mr. Vajpayee said the people had "shown their genius in industry" by pioneering in casting, engineering, textiles and manufacture of pumpsets.

"It appears that where Mother Nature denies her bounties, God compensates by making the people more courageous and enterprising," he remarked.

Referring to the desire expressed by the people of the city to have a modern software technology park, he said, "My Government will look into this demand sympathetically."

In addition, the Government would take further steps to revive the textile sector, so that India could have a major competitive advantage in the global market.

Mr. Venkiah Naidu, Union Minister for Rural Development, stressed the importance of a 'Rural Artisan Work Centre' and 'District Rural Produce Marketing Centre' at the village level, and thereby enable rural industrial products to find urban markets.

Mr. S. Gurumurthy, all-India convenor, Swadeshi Jagran Manch, said Coimbatore did not have a 'State-dependent mindset,' and had expanded on its own strength.

Mr. T. R. Balu, Minister for Environment and Forestry, highlighted the need to overcome marketing challenges by producing quality goods.

THE HINDU

17 FEB 2001

Centre clears disinvestment in Maruti Udyog

NEW DELHI: The central government on Tuesday night approved in principle a two-stage disinvestment in Maruti Udyog Limited (MUL), including issuance of right shares to Indian financial institutions.

"The cabinet committee on disinvestment (CCD) has given in principle clearance for divesting government's stake in MUL. The quantum and valuation of the equity to be divested will be decided with the consent of the other equal partner, Suzuki Motor Corporation (SMC)," disinvestment minister Arun Shourie said.

Earlier, the government extended the term of the Constitution Review Commission by eight months from February 21 to October 31.

The decision was taken at a meeting of the union cabinet here on Tuesday, parliamentary affairs minister Pramod Mahajan told journalists.

The ten-member commission headed by justice M.N. Venkatachalaiah was constituted on February 22 last year to examine how the constitution had in the past responded to the changing needs of governance and socio-economic development of the country within the framework of parliamentary democracy.

The commission is also required to recommend changes in the provisions of the constitution without interfering with its basic structure or features. It has identified ten areas of immediate concern, including strengthening of the institution of parliamentary democracy, electoral reforms, union-state relations, decentralisation and devolution of powers and legal control of fiscal and monetary policies. It proposes to bring out 20 consultation papers for public debate of which seven have already been released.

The union cabinet on Tuesday discussed in detail the power situation in the country and the reforms in the sector.

The discussion took place after power minister Suresh Prabhu gave a presentation on the power sector reforms. The slide-presenta-

tion and the paper on the power scenario in the country provides an insight into the various mechanisms being put in place for augmenting power supply.

While refusing to divulge any details of the presentation, Mr Mahajan said it focussed on the power situation. To a query whether the Enron issue also came up for discussion, the minister said it was only a small part of the overall discussions.

The cabinet also approved transfer of 200 acres of land being held by the Indian Navy at Hutbay, Little Andaman, to the Andaman and Nicobar administration free of cost. The land is part of the 410 acres held by the Indian Navy in the area, Mr Mahajan said after the cabinet meet.

The land will be used by the Andaman and Nicobar administration to re-settle tribals from Kar-Nicobar, Mr Mahajan said.

The transfer of land is subject to the condition that the Andaman and Nicobar administration would acquire 70 acres of private land co-

located with the Port Blair air field for expansion of the runway and transfer it to the navy on a no-profit, no-loss basis.

Meanwhile, the cabinet approved the signing of an aviation safety promotion agreement with Russia.

Under the agreement, each side would conduct technical assessment to understand each others standards and systems in areas like air-worthiness, environmental testing, maintenance facilities, approval of flight operations and approval of aviation training establishments. Mr Mahajan said if technical assessment finds that standards, systems, rules, procedures and practices are compatible then each side would agree to accept a certification of the other side on a reciprocal basis.

The agreement was a follow-up of the setting up of Indo-Russian working group for promoting cooperation in civil aviation finalised during the meeting of the Indo-Russian commission on trade, economic, scientific and cultural cooperation held here in January last year. (Agencies)

FAST FORWARD

- Cabinet discusses reforms in power sector
- Approves transfer of defence land to Andaman
- Okays aviation safety agreement with Russia

Mamata fights for soft budget

CL MANOJ

STATESMAN NEWS SERVICE

NEW DELHI, Feb. 14. — Miss Mamata Banerjee met Mr Atal Behari Vajpayee this evening to finalise the railway budget and thwart Mr Yashwant Sinha's move to change her tentative plan outlay.

The railway budget's plan outlay is unlikely to cross Rs 10,500 crore (proposed), but the railway and finance ministers are locked in a hard bargain over deferring the dividend again, officials said. Mr Sinha reportedly wants to directly or indirectly link the dividend to the fare and freight increase through a "safety cess".

Miss Banerjee, with an eye on the West Bengal Assembly polls, is desperate to fight it out in the Prime Minister's court. Miss Banerjee's proposed outlay of Rs 10,500 crore, without fare and freight increase, is being challenged by Mr Sinha for its "negative growth potential". For, it has no scope to generate revenue for the much-needed safety and infrastructure investments.

Moreover, the proposed outlay will come down if the

finance ministry refuses to defer the Rs 2,375-crore dividend (for last year — with interest — and this year). This will, in effect, will cut down the outlay to about Rs 8,000 crore, which is "unpresentable" by any standards.

The finance ministry, perhaps as a bargaining tactic, has now agreed to marginally increase the budgetary support to the proposed outlay by Rs 200 crore. But Miss Banerjee is reportedly not impressed and is asking Mr Sinha either to defer the dividend again or pump it back into the railways as a "special safety fund" to maintain the "growth potential".

According to the finance ministry's "safety cess" proposal (expected to mop up Rs 1,500 crore), the railways can pay "part" of the dividend, but has to raise the additional revenue through a cess. This in effect means an increase in fares, but may come as face-saver for Miss Banerjee.

The finance ministry is reported to have cited the Rakesh Mohan Committee report on railways restructuring. It had "suggested" a safety cess on fares — from Rs 2 to Rs 10 on ordinary second class, Rs 15 to 22 on sleeper class and Rs 20 to Rs 30 on upper classes.

THE STATESMAN

15 FEB 2001

Govt takes care of President's budget speech

STATESMAN NEWS SERVICE

NEW DELHI, Feb. 14. - The government will not tinker with the basic structure of the Constitution, though it has just extended the Constitution review panel's term by eight months.

This was one of the major passages cleared by the Cabinet for inclusion in the President's address to both Houses of Parliament on the first day of the budget session, on 19 February.

But before that, Miss Mamata Banerjee forced the Cabinet to delete the names of RSS Sewa and VHP as the key NGOs working for relief and rehabilitation in quake-hit Gujarat.

Some BJP ministers had proposed that the RSS Sewa and VHP be mentioned while thanking NGOs for their work in Gujarat. The Trinamul chief objected to this. She argued that no organisation be mentioned by name and the address merely express the gov-

ernment's thanks to all NGOs.

The Gujarat government had conducted a survey on the NGOs that reached the quake-hit areas first. The government survey said the RSS Sewa and VHP were among the first seven organisations to first reach the areas.

In his Republic Day eve address to the nation, Mr KR Narayanan had raised an alarm in government circles with some of his views on constitutional reforms and fixed tenures for the legislature.

Today's Cabinet meeting was slotted for two hours, but it took more than three-and-a-half hours to clear a "non-controversial" Presidential address for the joint session, officials said.

Among the major policy outlines the government has highlighted in this year's speech is its unilateral ceasefire to restore peace in J&K. Mr Narayanan had relegated the ceasefire towards the end of his 25 January speech.

An institution since 1952, the

Presidential address is the equivalent of a "State of the Union" speech, detailing the government's achievements over the past year and what it intends to prioritise during the next year.

There is normally little scope for controversy in its content, for it's prepared by the government and presented to the President to read out.

The Cabinet secretariat, with inputs from all the departments, drafts the speech. The apparent reason for today's long meeting was each ministry's efforts to get its achievements highlighted in the speech.

And with more than 30 Cabinet ministers with a detailed list of "accomplishments" the meeting was bound to be time-consuming.

Traditionally, the President prefaces his remarks with "My government ..." and lists its accomplishments and aims, even if his personal views are not entirely in consonance with the government's.

THE STATESMAN

15 FEB 2001

T.N. CIRCUMSTANCES BEHIND DECISION: RAMADOSS

PMK quits Govt., NDA

By Harish Khare

NEW DELHI, FEB. 5. Two Union Ministers, Mr. N. T. Shanmugham and Mr. E. Ponnuswamy, both belonging to the Pattali Makkal Katchi (PMK), resigned from the Atal Behari Vajpayee Government today, but the Prime Minister has not yet accepted the resignations and efforts are on to make the PMK leaders change their mind. The PMK, which has five members in the Lok Sabha, has virtually snapped ties with the ruling National Democratic Alliance, setting in motion a process of minor political destabilisation at the Centre.

The resignations were sent after the two Ministers accompanied their leader, Dr. S. Ramadoss, to the Prime Minister's residence this morning when a letter was handed to Mr. Vajpayee. The PMK Ministers' resignation is widely seen as an outcome of the breakdown of the DMK-led alliance in Tamil Nadu.

The PMK leader also gave Mr. Vajpayee a letter, the most operative part of which reads: "We formed the NDA with the highest commitment to the cause of the people of India. And the PMK is still committed to the philosophy. But the circumstances in Tamil Nadu have made us part company with the NDA. However, we will always cherish the friendship forged with the Prime Minister for all the years to come. We will always support your Government at the time of political crisis, even if we sit in the Opposition."

Apart from a cryptic remark by Mr. Shanmugham that "I have tendered my resignation to the Prime Minister, and we are also quitting the NDA", the PMK leadership remained unavailable for elaboration or explanation. Later in the evening, Dr. Ramadoss and the party MPs left for Chennai.

After Dr. Ramadoss' "we are parting company" visit, the Prime Minister held consultations with the senior NDA leaders in the afternoon. Among those who attended the session at Mr. Vajpayee's house were the Union Home Minister, Mr. L. K. Advani, the External Affairs Minister, Mr. Jaswant Singh, the Defence Minister, Mr. George Fernandes, and the BJP president, Mr. Bangaru Laxman.

The decision at the meeting was to keep the PMK leadership engaged in a dialogue, and to see what the central leaders could do to help redress some of Dr. Ramadoss' grievances with his alliance partners in Tamil Nadu. However, there is awareness that the roots of the PMK chief's unhappiness can be traced to the troubled relationship between the PMK and the DMK, and that beyond a point there was little that the Prime Minister or his central colleagues could do in this matter.

Nonetheless, there is a discernible anxiety not to give the impression that the NDA is coming apart and that somehow the Prime Minister would be able to persuade all the dramatis personae not to deviate from the alliance script.

It's over, says Laxman

By Our Special Correspondent

NEW DELHI, FEB. 5. The Bharatiya Janata Party's (BJP) hope that the Pattali Makkal Katchi (PMK) crack in the National Democratic Alliance (NDA) will not develop into a fissure was all but dashed this evening when the party president, Mr. Bangaru Laxman, admitted

Ramadoss to meet Jayalalitha today

By Our Special Correspondent

CHENNAI, FEB. 5. The PMK leader, Dr. S. Ramadoss, told presspersons late on Monday that he would meet the AIADMK general-secretary, Ms. J. Jayalalitha, at her residence tomorrow. Speaking at the airport on his return from New Delhi, Dr. Ramadoss said he would reveal the reasons for his decision at a press conference on Tuesday afternoon. On whether his decision meant withdrawal of support to the NDA-led Central Government, he said, "That is what withdrawal from the NDA means."

that the PMK had withdrawn.

The Congress, which has been watching the drama, was of the view that it was the beginning of the process of the "unholy NDA coalition" coming unstuck ahead of the Assembly polls in five States, including Tamil Nadu. "It was an inherently unstable coalition," the Congress spokesperson, Mr. Anand Sharma said, refusing to speculate on whether the PMK would join the AIADMK-led front. There is the view that if the PMK were to take to the logical conclusion the resignation of its Ministers from the Vajpayee Government, the next step would be the announcement that it was joining the AIADMK-led front that is beginning to take shape.

The BJP vice-president and spokesperson, Mr. Jana Krishnamurthy, said the Prime Minister would try to persuade the PMK leader, Dr. S. Ramadoss, to get his Ministers to withdraw their resignations. But by evening, this seemed a remote possibility.

Mr. Krishnamurthy conceded that the development was "not a total surprise" since the PMK had been engaged in a long, wordy battle with the Tamizhaga Rajiv Congress (TRC) of Mr. Vazhapadi K. Ramamurthy, also a partner of the DMK-led front in Tamil Nadu.

The DMK leader and Tamil Nadu Chief Minister, Mr. M. Karunanidhi, has called a meeting of NDA allies in the State on February 16, and Mr. Krishnamurthy felt the differences could have been sorted out. "After all, Dr. Ramadoss and Mr. Ramamurthy were good friends at one time," he added.

At first, the BJP was hoping that the resignations were a bid by the PMK to put pressure on the DMK to concede its interests in Pondicherry and an adequate number of seats in the 234-member strong Tamil Nadu Assembly. While it was admitted that Dr. Ramadoss had been in touch with the AIADMK general-secretary, Ms. J. Jayalalitha, the BJP was not willing to concede that it was too late now for the DMK-led front to retain the PMK as well as the TRC.

The BJP said the resignations "will not affect the Centre" and that the DMK-led group still had the upper hand.

THE HINDU

6 FEB 2001

U.S. sub collides with Japanese ship, 9 missing

TOKYO: The United States apologised after a Japanese ship sank off Hawaii when it collided with a nuclear-powered U.S. submarine, leaving nine people missing, Japan's Prime Minister Yoshiro Mori said on Saturday.

His chief cabinet secretary Yasuo Fukuda also said the apology could mean that the U.S. side had acknowledged that the submarine, *U.S.S. Greenville*, was responsible for the accident.

The impact sank the 499-tonne training ship *Ehime Maru* from a fisheries high school in Uwajima, western Japan, at 5.15 IST, about 14 km south of Diamond Head, U.S. and Japanese coast guard officials said.

The landmark Diamond Head is located on the southern coast of the Hawaiian island of Oahu.

"The U.S. side has apologised and explained that it was doing its utmost in the search," Mr Mori told reporters when he summoned a special risk management meeting on the incident. (PTI)



The USS Greenville

Advani advocates carrot-and-stick approach to control population

He said although the current census was being undertaken between February 9-28, the process had started soon after the Vajpayee government had assumed power in 1998.

Mr Advani recalled that when, for the

HUM DO, HAMARE DO

- Advani favours legal methods to control population
- Releases stamp on Census 2001
- Criticises use of force during Emergency

first time, a bill was introduced in Britain for conducting a census in 1753, it was opposed for fear of enemies learning about the strength of the country.

He thanked Mr Paswan for implementing his suggestion to bring out a stamp to mark Census-2001.

Mr Paswan, who unveiled the stamp, said the "population explosion" was acting as a dampener to developmental poli-

tics and added that it was important to bring about stability in human growth.

"In countries like Britain and the U.S., the population levels have virtually been the same for the last 20 years or so and, as a result, there has been no need to build several new schools or hospitals as in the case of India," he said.

"In India, the mushrooming population growth marginalises our achievements. If we build a school for 500 students, we find there are already 5,000 students waiting to be admitted. The same is the case with hospitals," he said.

Stating that the census stamp had a "hidden meaning", the minister said the numerical 2 in 2001 written on the stamp was depicted in the form of a woman,

while the two zeros were shown in the form of children and 1 was in the form of a man. This symbolised 'Hum do hamare do'. Mr Paswan said the population policy should receive full support from politicians and bureaucrats.



The Home Minister, Mr. L.K. Advani, along with the Communications Minister, Mr. Ram Vilas Paswan, releasing a commemorative stamp and first day cover on Census-2001, at a function in New Delhi on Saturday. — PTI

Advani favours law for population control

NEW DELHI, FEB. 10. The Home Minister, Mr. L.K. Advani, today favoured legislation providing incentives and disincentives to control the burgeoning population even while differing with the method of 'force' adopted by the Congress Government in 1975 and 1976 during emergency.

Mr. Advani, who was speaking on the occasion of the unveiling of a stamp in connection with the launch of Census-2001, said that while education of masses was important for creating an awareness of population control, there may also be a need for a system of "legal incentives and disincentives." He thanked the Communications Minister, Mr. Ram Vilas Paswan, for implementing his suggestion for bringing out a stamp to mark the occasion of Census-2001.

Mr. Paswan, who unveiled the stamp, said "population explosion" was acting as a dampener on developmental policies and

added it was important to bring about stability in human growth.

"In countries like Britain and the U.S., population level has virtually been the same for the last 20 years or so and as a result there was no need to build several new schools or hospitals as in the case of India," he said.

"In India the mushrooming population growth marginalises our achievement. If we make a school for 500 students we find there are already 5000 students waiting to get admitted. The same is the case with hospitals."

Claiming that the census stamp had a "hidden meaning," the Minister said the numerical 2 in 2001 was depicted in the form of a woman, while the two zeroes were shown in the form of children and 1 in the form of a man, and this symbolised "hum do hamare do." The Government was considering bringing out a stamp on the Gujarat earthquake, he added. — PTI

THE HINDU

11 FEB 2001

Parties back Mamata's no-fare-hike populism

HT Correspondent

New Delhi, February 9

POLITICAL PARTIES today supported Railway Minister Mamata Banerjee's view that the Railway Budget should spare the common man and avoid a hike in fares.

Over 20 Opposition and ruling party members attended a meeting that Mamata convened as a pre-Budget exercise. Mamata had opposed any hike in fares, saying it would burden the common man. The Prime Minister, his Economic Advisory Council and the Finance Ministry had, however, hinted that there was no escaping the fare-hike.

Members of the Congress, the Samajwadi Party and the Rashtriya Janata Dal did not attend the

meet. Mamata told newsmen that Congress leader P R Dasmunshi had extended his "support" before leaving on a tour.

The Minister said most of the parties were against a hike in fares. She said the pre-Budget meeting was "part of the democratic process" that would strengthen the Railways. At the meeting, parties complained of project-delays. They wanted the projects to be completed without burdening the passengers.

The parties wanted the Railways to generate resources from a "commercial utilisation of land" but maintain its pro-people atti-

tude. Mamata refused to comment on the Prime Minister's opinion on the fare-hike or on the Economic Advisory Council's recommendation to reduce subsidies.

Though projects worth crores were pending, the Railways had provided help during the Orissa cyclone, drought in several states and the Gujarat earthquake, the minister said.

After the meeting, V K Malhotra (BJP) said, "No party would like an increase in fares. But this is an issue that has to be decided by the Cabinet."

Anant G Gecete (Shiv Sena) said

he was against a hike in fares. The Railways could raise money by clearing encroachments from their land, he said. Even if fares were raised by 100 per cent, there would not be enough money.

Jayasree Goswami (Maharashtra AGP) told the meeting that the Railways was neglecting Assam. G M Naik (NC) said the Udhampur line should be completed soon. Mohan Prakash (JD) spokesman, said all parties spoke for their pet projects.

The BJP, TDP, NC, CPI, CPM, Janata Dal (U), Samata Party, Shiv Sena, AGP, ADMK, MDMK and the INLD attended the meeting.

This was the second consecutive year the minister had organised such a meeting. Senior Railway Board officials were also present at the meeting.



THE HINDUSTAN TIMES

10 FEB 2001

Public smokers, tobacco companies face crackdown

STATESMAN NEWS SERVICE SA

NEW DELHI, Feb. 6. - The government today decided to ban smoking in "public places", and prohibited tobacco companies from advertising their products, and sponsoring sports and cultural events.

The Tobacco Products (Prohibition of Advertisement and Regulation) Bill 2000 proposes to make it mandatory for cigarette manufacturers to ensure that the statutory warning on each pack is of the same size as

the largest panel on the pack.

Another provision will make it compulsory for the warning to be in English and in an Indian language, depending on the state where the packet is intended to be sold. In addition, the manufacturer will also have to indicate the nicotine and tar content on each packet.

The Bill was cleared for introduction in Parliament by the Union Cabinet today after a 45-minute discussion; some members had reservations about the impact of the provisions. Pow-

ers of prosecution have been given to police.

The government said the decision will not just save non-smokers from passive smoking and discourage adolescents from consuming tobacco products, but also makes sound economic sense.

The tobacco trade generates close to Rs 5,550 crore as revenue for the government annually, but ends up spending more than double the amount - Rs 13,517 crore - on treatment of tobacco-related ailments, Un-

ion parliamentary affairs minister Mr Pramod Mahajan said.

India accounts for a third of the estimated 3 million people who die from tobacco-related causes every year. Mr Mahajan said research had shown that the median survival of smokers is 7.5 years shorter than non-smokers.

If Parliament clears the Bill this Budget session, India will be the 56th country to enact laws to discourage tobacco consumption, the 22nd to impose a ban on advertisement of tobac-

co products in one form or the other, and the 20th to make it compulsory for tobacco product manufacturers to indicate nicotine and tar contents on the package.

The Bill provides for imprisonment or fine or both for defaulters. It will replace the Cigarettes (Regulation and Production, Supply and Distribution) Act, 1975. Tobacco products have been redefined in the Bill and all products having tobacco component have been brought under the Bill's

purview. Mr Mahajan said.

Offences like smoking in public places, sale of tobacco products within 100 metres of educational institutions or hospitals, and sale to those below 18 years will be compoundable with a fine up to Rs 100.

For other violations, the punishment proposed is imprisonment up to three years or a fine up to Rs 1,00,000 or both for the first conviction. For subsequent convictions, imprisonment may be beyond three years with the fine up to Rs 2,00,000.

THE STATESMAN

- 7 FEB 2001

Centre more worried about Kashmir than quake

Vajpayee in panel diplomacy

FROM DIPTOSH MAJUMDAR

New Delhi, Feb. 7: In an effort to neutralise the Opposition 10 days before Parliament sits for the budget session, the government today set up a consensus committee, headed by the Prime Minister, that will frame guidelines for handling future disasters.

The move to form the panel of politicians is aimed at staving off an attack from the Congress and the Left on the Gujarat earthquake as the government realises that it will have to concentrate on countering an assault from them on the Kashmir ceasefire.

According to the think-tank of Prime Minister Atal Bihari Vajpayee, the Congress and the Left parties are unlikely to focus too much on the alleged mishandling of the situation in Gujarat. The government believes that the quake and its aftermath will be relegated to a state-level issue.

Significantly, the committee — the proposal for which had come from Sonia Gandhi at the all-party meet on the disaster — will have Nationalist Congress Party leader Sharad Pawar as its vice-chairman.

Sonia will represent the Congress and will have for company Bangaru Laxman (BJP), Kanshi Ram (BSP), H.S. Surjeet (CPM) and A.B. Bardhan (CPI).

Arch-rivals Jayalalitha and M. Karunanidhi will rub shoulders on the committee. Among the allies chosen are Mamata Banerjee, Chandrababu Naidu and Bal Thackeray.

The committee will discuss

necessary institutional and legislative measures for handling natural calamities.

The Centre, however, is not too worried about the quake's aftershocks in Parliament. Rather, it is more concerned about how to tackle the attack from the Opposition on the Kashmir ceasefire in view of the violence spiral in the valley.

Smelling divisions in the Sangh parivar as well as in a section of the government over the ceasefire, the Congress has already launched an aggressive public campaign questioning the effectiveness of the truce extension. It claims the decision has backfired both diplomatically as well as on the ground with the toll mounting by the day.

In a bid to counter the campaign, the Centre yesterday held an elaborate, explanatory briefing for a Congress team comprising Arjun Singh, Ghulam Nabi Azad, Natwar Singh and Manmohan Singh. Vajpayee was present as were Advani, Jaswant Singh and Fernandes, his ministers for home, foreign affairs and defence.

A video-presentation was made as part of the show. The ministers tried to stress what they believe is their "irrefutable" logic: there was no other alternative other than declaring a ceasefire during Ramzan and then extending it twice.

The Congress team went into a huddle and took 20 minutes to decide how they would brief the press corps which had posted themselves outside Vajpayee's Race Course Road residence.

THE TELEGRAPH

8 FEB 2001

PMK quits NDA, eyes Jaya tie-up

STATESMAN NEWS SERVICE

NEW DELHI/CHENNAI, Feb. 5. — For the first time in its brief history, the NDA has lost one of its partners. The PMK, with five MPs, today pulled out of the alliance and its two ministers, Mr NT Shanmugham and Mr E Punnuswami, submitted their resignations to the Prime Minister.

After efforts to hold back the Tamil party failed, Mr AB Vajpayee called a meeting of senior leaders, following which Mr Bangaru Laxman acknowledged the pull-out.

"The PMK has withdrawn because of its own compulsions. However, its leader, Dr Ramadoss, has assured Mr Vajpayee of his party's help if the government faced any crisis," Mr Laxman said after the meeting which was attended by Mr LK Advani, Mr George Fernandes and Mr Jaswant Singh.

However, there are indications that the PMK may join the AIADMK alliance in Tamil Nadu where polls are due in a couple of months. Dr Ramadoss said on reaching Chennai tonight that he would meet Miss Jayalalitha tomorrow to discuss joining her front.

Asked whether the pull-out meant withdrawal of support to the NDA government, he said: "What else does it mean?"

In Delhi, Mr Shanmugham said: "We've quit the Cabinet and the NDA. Our leader, Dr Ramadoss, will announce the

next step in Chennai shortly."

Both he and Mr Punnuswami accompanied Dr Ramadoss to a meeting with Mr Vajpayee where the resignations were handed over.

About the reasons for the pull-out, the ministers were tight-lipped and Dr Ramadoss remained incommunicado. Mr Laxman pointed out there were "no provocations" for "this unfortunate" decision of the PMK and hoped "the people of Tamil Nadu will take note of this."

Dr Ramadoss has been having a strained relation with the DMK chief, Mr M Karunanidhi. But what seems to have given the final push was the post-quake harsh economic steps which, the PMK fears, might not go down well with the electorate.

Already, Mr Vajpayee's talk of a "harsh railway budget" has angered Miss Mamata Banerjee. Two more allies, the Samata Party and the TDP, are also wary of the political fall-out of the post-quake economic steps.

The PMK's decision has rattled the Tamil Manila Congress which is yet to formalise its tie-up with the AIADMK. The TMC has always maintained that it would not ally with a party that "sympathises with the Rajiv Gandhi's murderers".

Some TMC leaders didn't rule out the possibility of the party returning to the DMK fold. The Congress, however, has taken the stand that its alliance was only with the AIADMK.

THE STATESMAN

6 FEB 2001

NATIONAL CALAMITY

518 Something worse than the quake 262

REPORTS and comments in this newspaper had pointed out that imposing a surcharge on income tax was the least defensible way to finance Gujarat's reconstruction. But even we admit to not have foreseen that the government would exercise the least defensible option in the worst possible manner — an ordinance. It defies logic, even the minimum amount applied to official deliberations, why the Cabinet could not wait for Parliament's budget session, which begins on 19 February, to introduce a bill. Or better still propose the surcharge as part of the finance bill. Are we to assume that the 20-30 days legislative delay would have damaged Gujarat more than the the amateurish official relief efforts have done already? Or is it that the Prime Minister was apprehensive that his finance minister may not have wanted to present a second successive "surcharged" budget, and therefore rendered the issue moot by forcing an ordinance? If that is the case, how is it that Cabinet decisions on issues that benefit people — deregulation of services, for example — do not see ordinances? They do not because the majority of Indians who pay taxes do not have a lobby, and they are considered cannon fodder by a bloated and bovinely inefficient administration.

And what pray will the surcharge collection — Rs 1,300 crores — do for Gujarat? The state chief minister's estimates for rehabilitation and reconstruction is Rs 10,000 crores. Even accounting for the likely padding politicians always apply when asking for money, the reasonable estimate for Gujarat will be far more than the surcharge amount, or even the surcharge plus the Rs 500 crore already promised by the Prime Minister. It is not clear, to put it mildly, what role the surcharge is to play. More so since the government could have mopped up more by a one-shot relaxation of the deficit target. Plus, at least \$ 1.5 billion in project aid has been promised by multilateral lending agencies. Perhaps the official "argument" will be that the Kargil surcharge applied on top bracket income tax payers last year — it has generated around Rs 3,000 crore this fiscal year — and the current two per cent surcharge will apply simultaneously, thus getting more money for Gujarat. But the 15 per cent surcharge imposed earlier was expressly related to finance the cost of the near-war at LoC. And since official financial estimates of that conflict are around Rs 650 crore, and the surcharge has netted around Rs 3,000 crore, there's a case for giving the money back, not continuing with the surcharge without even explicitly admitting it. There's another surcharge in the offing, about which the government is keeping quiet as well — the Finance Commission has proposed a one per cent surcharge on corporates to finance the calamity fund it has proposed. The bill is set to be introduced in the budget session. So, we may well see the government taking three bites of taxpayers' income in the space of a single parliamentary session. Justified in the name of a *natural* calamity, their methods are best described as a *national* calamity. //

THE STATESMAN

3 FEB 2001

Gujarat quake exposes faultlines in the system

Jay Raina
New Delhi, February 2

SIX HOURS after Gujarat was reduced to rubble on Republic Day, the Crisis Management Group (CMG), chaired by the Cabinet Secretary met at his office on the fringes of the Rashtrapati Bhawan campus. The agenda was obvious. But first, they had to get a handle on how big the disaster was. On the basis of the sketchy information available to the CMG, members were talking in terms of 500 dead, 500 injured. Except a high-ranking defence official who was part of the meeting. When the figures were mentioned, he muttered "bunkum".

He was right. But that morning, it was close to impossible for the government to know what happened. The senior-most official of the Bhuj telephone exchange—the contact man for an exigency like this one—was dead. And so were the telephone lines. The men at Krishi Bhawan, which houses the control room of the NDM (National Disaster Management)— which provides inputs to the CMG— sat

powerless. Gujarat was virtually cut off. The defence forces used their own channels to get in touch with the air base at Bhuj to get a slightly better situation report. But information wasn't flowing, so how could decisions be made?

At the NDM control room one week later, the telephones won't stop ringing. In this dingy ground-floor room, though several of the seven-odd staff members are sitting idle. The joint secretary who heads operations has an office a floor above. On either side of a 2-3 hour siesta/lunch-break, he holds unending meetings. In case you thought otherwise, the NDM is the key body in crisis management—the one that allegedly has its ear to the ground. It is on the basis of the inputs it provides that the high-powered CMG passes instructions.

But instructions can only follow informed decisions. The CMG doesn't have any independent sources of information. Apart from the NDM, it relies on the state

governments and the secretaries of various ministries to provide inputs on a crisis. Sometimes, the defence forces pitch in. The situation is complicated by the fact that the composition of the CMG varies from crisis to crisis. People are co-opted into it according to the nature of the emergency.

Result: a temporary group each time a cyclone hits or an earthquake strikes, not a well-oiled machine that just has to be switched on. The key to crisis management is response time. And on available evidence, the CMG is slow at the best of times. Take the case of the Kandahar crisis. Within 15 minutes of the hijacking of IC 814, the group knew what had happened. It met only after several hours. And even after that, they were groping around for specialists who could be persuaded to assist—they didn't even have the names of people with relevant experience, leave alone contact numbers.

As the CMG floundered, the hijackers reached the safety of Kandahar airport.

Every crisis is different. In calamities that affect the lives of common people directly, such as droughts, cyclones and earthquakes, the CMG gets ministries such as Railways, Communications Power and Health to move and begin the rebuilding process. But picking up the pieces of the Gujarat earthquake is proving particularly difficult.

The crisis is too close to home for the administration. Says agriculture secretary and CMG member Bhaskar Baruah: "There is a shortage of local manpower in the affected areas." The administrative machinery is, after all, made up of people—local officers, lower staff and even labour contracted by government are victims. There are 150 trucks waiting in Ratmal, near Bhuj, for instance, that aren't going anywhere because there are no drivers.

Bhuj may be an extreme test for any government machinery—a moderate nuclear bomb would be about a tenth as deadly—but it lays the faults in the system bare. The lessons from it, will, hopefully, make the government move faster than tectonic plates.

Crisis Mismanagement

THE HINDUSTAN TIMES

3 FEB 2001

TAX CALAMITY^{2/2}

There continues to be confusion about the Gujarat earthquake and not just about its magnitude on the Richter scale. While the official death toll of around 10,000 is smaller than the unofficial figure of 20,000, we have an unofficial-official death toll estimate of 100,000 from the defence minister. A chamber of commerce has gone to town about national income loss of Rs 25,000 crores. Without downgrading the human tragedy, such figures seem grossly exaggerated. The Narmada dam is safe, damages to Kandla port are minimal. Reliance refinery complexes in Jamnagar and Hazira, Tata and Essar plants near Bhuj and airbases in Bhuj and Nalia have also escaped major damage. Other than loss of lives, the economic damage seems to be restricted to buildings in Bhuj, Patan and Ahmedabad. In a perverse Keynesian sense, given the present downturn and unemployed resources within that Keynesian framework, a trigger to construction and related multiplier effects through demand for cement, steel or transportation may not be an unmitigated disaster.

The government has made much of the resource issue, with the finance minister first arguing a calamity surcharge was unnecessary and the prime minister next stating that a harsh budget, fresh taxes and such a surcharge are inevitable, if not for relief, at least for rehabilitation. This is not convincing. Unlike Kargil and the Orissa cyclone last year, there is enough cushion this year, with government borrowings lower and the fiscal deficit under control, even though disinvestment will fall short of target. From within the country and externally, monetary and non-monetary aid has been forthcoming and rehabilitation for a relatively well-off state like Gujarat is not quite the same as that for Orissa. Contrary to the prime minister's assertion, if resources are needed, they are necessary for relief.

With industry (if not the entire economy) in the midst of a downturn, the last thing one wants is a hike in tax rates, especially since end-use of this tax revenue is beyond the control of tax-payers and will be frittered away on wasteful government expenditure. While the prime minister is right in asking everyone to share the burden, surely the beginning should be through slashing surplus government employees. Even when government expenditure is ostensibly on disaster relief, there is enough evidence of leakage. The quality of administration indeed varies from state to state and in the past, Gujarat has exhibited resilience not only from drought, but also plague. However, generally, famine relief administration inherited from the British has not adapted well enough to efficiently handle natural disaster related relief work, except when the army is called in. The government's inevitable reaction is to subsequently set up a committee, as was done with Latur in 1993 or Orissa in 1999. Ostensibly, there is a natural disaster management committee of secretaries, which couldn't meet for seven hours after the earthquake. In part, this is because of turf battles about which ministry should be in charge of disaster relief, natural or man-made. In addition, local administration has progressively become less autonomous after independence, with unnecessary centralization and political interference. Arguably, the army performs well because it is autonomous. But as with the case of natural disasters in the past, none of these issues will be addressed and the bogey of the earthquake will be used by the government to impose a surcharge and ease its own fiscal pressures. Opposition to a Kargil tax would have been labelled unpatriotic and opposition to a Bhuj tax will be labelled heartless.

TELEGRAPH

2 FEB 2001