

## A statesman steps down

Vir Sanghvi  
New Delhi, May 13

IT'S NOT the exit he expected. And it's certainly not the exit he deserved. But regardless of the circumstances of the BJP's shock defeat on Thursday, history will remember Atal Bihari Vajpayee as one of India's finest prime ministers.

Vajpayee has many achievements to his credit. He is the first non-Congress prime minister whose government did not fall before the end of his term. He is the man who made the BJP electable. And he is the first prime minister who showed that coalition politics could not only work in India but were also probably the only means of ensuring stability.

At a policy level, he exhibited both guts and imagination. The two initiatives with which he is associated — the economic reforms and the normalisation of relations with Pakistan — are both policies that were imposed on the bulk of the reactionary Sangh Parivar because of the sheer force of Mr Vajpayee's own personality.

Mr Vajpayee took a reforms process that was in a state of disrepair and relaunched it with a determined earnestness. It was during his tenure that India became a global software superpower. And it was Mr Vajpayee's courage and support for Arun Shourie that powered the privatisation programme.

Unlike many prime ministers before him, Mr Vajpayee had no court of sycophants and *chamchas*; he preferred to work alone. Even within the cabinet, there were few ministers who could be regarded as Vajpayee-loyalists; the prime minister did not believe in camps.

Though his personal popularity has been at an all-time high — he remains India's most popular politician, regardless of the fate his party has suffered — Mr Vajpayee resisted the growth of a personality cult, rarely gave interviews and remained a largely silent, discreet figure who was unwilling to offer any opinions on non-policy issues.

In the late 1980s, when L.K. Advani led the BJP into the Hindutva camp, Mr Vajpayee pointedly distanced himself from such programmes as Ayodhya and was consequently ignored by his own party. When the BJP rediscovered him in the mid-1990s, it did so because it thought it could build a moderate coalition around him.

Though Mr Vajpayee rose to the top job after most people had written him off, he was never comfortable with the Sangh Parivar or the Hindutva agenda. Even so, as prime minister, he was forced to pay lip service to Hindutva, sometimes with damaging consequences. When the history of his government is written, his many achievements will be set against one notable failure: the Gujarat riots and his unwillingness to punish those responsible, or even to restrain a chief minister who fought one of the most shamefully communal campaigns in Indian history.

Nevertheless, he should step down a happy man. He has achieved much of what he set out to do and even in defeat, he can say that he has been proven right — he never thought the BJP would win an early election.

# Govt wants ban back on TV ads

Rajnish Sharma  
New Delhi, March 30

A TV ad, showing Prime Minister A.B. Vajpayee removing his 'mask' and revealing Nathuram Godse underneath, is due on air later this week. No wonder, then, that the PM has directed his Attorney General to petition the Supreme Court to overturn the recent Andhra Pradesh High Court decision allowing political ads in the electronic media.

Vajpayee summoned his Principal Secretary Brajesh Mishra, Attorney General Soli Sorabjee, I&B Minister Ravi Shankar Prasad and BJP president Venkaiah Naidu to his residence late on Monday evening to discuss mud-slinging ads against key political figures.

They talked about how the Congress was planning more such ads. Vajpayee apparently concluded the surrogate ads could divert voters' attention from the "feel-good" factor and the NDA's development work during the past five years.

So the PM told his colleagues to cease fire on the surrogate ads, and asked Sorabjee to start working on a special leave petition (SLP) against the AP High Court stay on the Election Commission's ban on political advertising. Sorabjee will seek to ensure that rule 7(3) of the Cable TV Network Act (which prohibits political and religious ads on TV channels) is restored. Work on the SLP has begun.

The High Court had last week stayed the advertising ban, allowing

both surrogate and direct political ads on TV channels. The smaller political parties objected to the decision since the rule was designed to prevent larger parties from using their superior financial resources to swamp the air with ads; the ban was intended to provide a level playing field to political parties.

The I&B ministry, which was to enforce the ban, told the EC on Monday it couldn't as it did not have any powers under the Cable TV Act. The EC will respond to the I&B Ministry within a few days.

Meanwhile, the Indian Broadcasting Foundation, which comprises all leading channels, has unilaterally decided not to accept any political ads that make personal attacks.

## BLOW BY BLOW



▲ BJP begins with cricket win ad; Cong responds with ad on youth

▲ BJP attacks foreign origins; Cong speaks of Raj's collaborators

▲ Cong plans ad showing PM's face as a mask for Nathuram Godse

9-  
2/1/04

# Vajpayee promises second green revolution

110-8  
2/1/04

**BEED (MAHARASHTRA), MARCH 20.** The Prime Minister, Atal Bihar Vajpayee, today unveiled a blueprint of the developmental works that would be taken up if the National Democratic Alliance is voted back to power. Interlinking of rivers, ushering in a second "green revolution" and employment generation programme would be on top of the new government's agenda, he said.

Referring to drought in many parts of the country, he said a scheme should be in place so that even if there was inadequate rainfall then there should not be water scarcity.

Mr. Vajpayee, who was addressing an election rally, said the ambitious programme of interlinking of rivers would be implemented if the NDA forms government. Similarly, he would implement a comprehensive plan to deal with unemployment. It would also double agriculture production and usher in a second "green revolution."

The Congress had "neglected" issues such as drinking water, electricity, health, education and roads in its four-decade rule. The NDA Government would lay emphasis on solving these issues. The Con-

gress was also responsible for the disparity in development of various States and the NDA's

priority would be balanced development.

## Women's Bill

Mr. Vajpayee blamed the Congress for "stalling" the Women's Reservation Bill and said the BJP and its allies, after getting a decisive mandate, would pass the legislation.

"We were prepared for all kinds of agreements to get the Bill passed, but the Congress foiled our attempts."

"Even some other political parties were of the view that 33 per cent of reservation should be brought down, the BJP was even prepared for this as we wanted to make a beginning," Mr. Vajpayee said.

The Congress wanted to topple the NDA Government by "creating a wedge between our allies, but unitedly we foiled all its attempts."

Referring to the Shiv Sena-BJP's alliance in Maharashtra, Mr. Vajpayee said the Congress criticised "our tie-up" but now it wanted to shake hands with others. But even if both the Congress came together in Maharashtra, the saffron combine would defeat them, he said. — PTI

## Why he changed his mind

**MUMBAI, MARCH 20.** The Prime Minister, Atal Bihari Vajpayee, today said he did not want to contest the coming elections and only the fear of the country sliding into anarchy prompted him to do so.

"I did not want to contest elections this time, but if I had shied away from my responsibility then the country may have headed towards anarchy," Mr. Vajpayee said here while launching the party's campaign for the Lok Sabha polls.

The Prime Minister said that if he had failed to shoulder his responsibility then the country would have gone into the hands of inept people, resulting in the hampering of the country's development. "That is why I changed my decision and decided to contest." — PTI

# Advani rides high in Atal Bihari's name

शुभिनग इन्डिया, स्मिलिंग इन्डिया प्रोजेक्ट  
 As A Contemporary Ram rajya

By Smita Gupta/TNN  
 Kanyakumari: In the BJP's new iconography, Ram appears to have metamorphosed into A B Vajpayee, the man who the party would have the voters believe has ushered in 'Shining India, Smiling India', a kind of contemporary take on Ram rajya.

Indeed, if Ram had been the theme of the rath yatra that brought deputy PM L K Advani to centre stage in 1990 and pushed the BJP's Lok Sabha tally to 120-odd in 1991, on Wednesday, as he set off on his Bharat Uday Yatra here, it seemed as though he expected Vajpayee's name to have the same magical properties. Advani was also at pains to underscore the secular nature of his yatra. Lined up to present shawls to him were Zaimul Abedin, the dewan of Ajmer Sharif, Christian priests from Tamil Nadu and Kerala, former Union civil aviation minister Arif Mohammad Khan, Union textile minister Syed Shah Nawaz Hussain and BJP general secretary Mukhtar Abbas Naqvi.

Also at hand to underscore the BJP's growing appeal were also former cricket captain and flamboyant opening batsman K Srikkanth and popular actress Vijay Shanti.

Advani emphasised that the connectivity the BJP boasted of having established was not confined to roads, rivers and telecom; they extended to minds and hearts or "emotional connectivity" as he put it. As he stood on a stage set up at the confluence of the three oceans that wash the southern tip of the country beneath a blazing sun, Advani took off from where M Venkaiah Naidu had left off when he summed up the BJP's strengths in his inimitable style, first saying, "Vajpayee, Vajpayee, Vajpayee", and then, "We have Atal, alliance, agenda and Advani". Advani said that if India had seen seven PMs between 1988 and 1998, in the six years since, Vajpayee had brought stability and prosperity to the country, and it was in his name that he sought victory to make India a superpower.



Advani with his family before the start of his yatra on Wednesday

19 MAR 2000

'SONIA'S PARTY CAN'T EXIST WITHOUT POWER'

# Atal's farmer-death salvo at Congress

Statesman News Service

CHANDIGARH, March 18. — Launching a counter-attack on the Congress, the Prime Minister today said farmers were dying in states ruled by the party.

Kicking off his poll campaign by addressing a rally at Patiala, Mr Atal Behari Vajpayee listed the initiatives taken by his government to boost the agriculture sector — such as issuing kisan credit cards, launching *kisan bima yojana* and hiking support prices of foodgrain.

Mr Vajpayee said: "They (Congress) say farmers are dying. But the deaths are taking place in only Congress-ruled states. The Centre has sufficient foodgrain, but the states don't take any initiative to lift them. Distribution of grains is the responsibility of state governments."

While promising a second



Mr Vajpayee addresses the Patiala rally. — PTI

green revolution, the Prime Minister lashed out at the Congress government in Punjab for not taking any advantage of the Centre's package to bail out sugarcane farmers. "We had prepared a package for the sugarcane farmers of Punjab, Uttar Pradesh, Bihar and Uttaranchal. Till today the Punjab government has not collected its due of Rs 30 crore," he said while dismissing allegations that the Centre is not providing funds to the states.

Asserting that the Centre

and states have to work in tandem, Mr Vajpayee said his government wanted to bring about the second green revolution. Over the last five years, the government had increased the support prices of 25 crops — including wheat, rice and sugarcane — by 15-40 per cent.

In response to the Congress' charge that the NDA was destroying the country, the Prime Minister accused the former of undermining India's prestige by making a "narrow and selfish" pursuit of power. "The Congress can't exist without power just as fish can't exist without water," he said.

Mr Vajpayee sought another chance for the NDA, promising the people that they would have no reason to complain thereafter. "If you give us a chance to work again we will not give you reasons to complain."

Poll reports on page 4

## When PM gets called...

NEW DELHI, March 18. — It was fine when the Prime Minister called. The problem started when the people started calling back. The people — one of them logged in 137 requests — wanted the Prime Minister to call again. The BJP's idea had clicked. Mr Atal Behari Vajpayee 'makes' anywhere between 3.5 and 4 lakh calls across the country daily and had people listening to him in rapt

attention. But there was a problem. If those manning the call centres spent time listening to people making requests, the sophisticated computers would hardly have time for the Prime Minister to have his say. And to ask the people to vote the NDA for development. "It was then that we decided we had to do something," said a member of the team that conceived and implemented the project. The first

thing the BJP did was to ask the telecom operators to block the telephone numbers from being transmitted to the 'called party'. Instead, the person who receives the call would get "Private Number" on his mobile phone. Then, they tied up with major mobile operators who would entertain pleas for the PM phone call at their interactive voice recording system if the subscriber dials 303. — ALOKE TIKKU

# RSS rallies behind Atal feel-good blitz

SUDHANSHU MISHRA

**Jaipur, March 12:** The Rashtriya Swayamsevak Sangh today stamped its approval on the Atal Bihari Vajpayee government's feel-good blitz, virtually turning its annual meet here into an election campaign for the BJP.

"India's status has continued to grow in the international arena this year also. Economic indicators project progress on the economic front.

"Pakistan was compelled to speak the language of dialogue. Bharat is emerging as a strong leader of the southeast Asian countries as well as underdeveloped third world countries.

"In the economic, political and even sports field, a new enthusiasm imbued with a will for victory is found all over the country," the RSS said on the opening day of its three-day general council meeting here. The meeting was expected to decide on the support to be lent to the BJP before the elections.

For once, the RSS also had a good word about the minority community, commending the Islamic clergy in Deoband for advising "their co-religionists to ban-

ish cow slaughter during Id-ul-Zoha". Two obscure outfits, the Mai Hindustan and the Bharatiya Muslim Parishad, were picked for praise.

Presenting his annual report, RSS general secretary Mohanrao Bhagwat made it clear that the Sangh was not unhappy with the government on the Ayodhya issue.

"The Prime Minister and his deputy themselves have taken the initiative to identify, isolate and marginalise the anti-Hindu schemers and evil-minded forces, and publicly declared their commitment to build a massive Ram Mandir by creating a conducive atmosphere in the country."

Such strong support on economic reforms and Ayodhya is a signal to Sangh parivar outfits the Vishwa Hindu Parishad and the Swadeshi Jagran Manch, which are less than happy with the BJP, to turn down the heat on poll-eve.

The RSS, however, did not forget to warn the government against "complacency". "It is also important to ensure that the benefits reach the last man of the country," Bhagwat added.

About 1,300 RSS functionaries are participating in the meet that praised the Deoband clergy and two little-known minority outfits for "creating an atmosphere of goodwill and positive signals". "Conferences organised at 54 places successfully by organisations like Mai Hindustan and Bharatiya Muslim Parishad with the objective of mobilising nationalist opinion among Muslims and creating an atmosphere of goodwill have sent positive signals in the country," Bhagwat said.

But he claimed that this was the result of "rising awareness in Hindu society". "While the so-called minorities are exhibiting examples of wisdom like this now and then due to the rising awareness in the Hindu society, certain political parties, which are after the votebanks of these sections, are hell bent on creating hurdles in the way of the constitutional ban on cow slaughter," the RSS said.

Bhagwat said these parties should be made to meet the same fate that the "minority-appealing and Hindu-bashing parties met in Rajasthan, Madhya Pradesh and Chhattisgarh".

THE TELEGRAPH

13 MAR 2004

# E.C. orders removal of 'India Shining' hoardings

By J. Venkatesan

9-10-03 (M) 818-1 1073

**NEW DELHI, MARCH 9.** The Election Commission today ordered the immediate removal of 'India Shining' and other state-sponsored propaganda advertisements and huge hoardings in several places across the country.

The Deputy Election Commissioner, A.N. Jha, said the Commission had sent general instructions to the Centre and the States that "all hoardings and advertisements which are still on display at the cost of the public exchequer should be removed as soon as possible and compliance reports sent to the Commission." The display of such advertisements was violative of the model code of conduct. Since the issue of new advertisements was prohibited under the code, even continued display of such material violated it.

Asked whether any deadline had been set for the removal of the advertisements, he said the Governments had been asked to comply with the instructions immediately. "It could be 24 hours, 48 hours or any other reasonable time." Though the Commission was not aware of the exact number of such hoardings, their number would be "sizeable."

Mr. Jha said the Commission had ordered the transfer of seven Deputy Commissioners — six in Jammu and Kashmir and one in Karnataka — and the Jammu Senior Superintendent of Police on the basis of complaints and their past record. The removed Deputy Commissioners are in Karnataka's Chamaraj Nagar and Jammu and Kashmir's Doda, Rajouri, Kathua,

Srinagar, Kupwara and Anantnag districts. The order comes in the wake of the Election Commissioners' visit to the two States to review the poll preparations.

On whether the Deputy Prime Minister, L. K. Advani, had violated the code while addressing a Central Industrial Security Force parade on Monday, Mr. Jha said the Commission was collecting facts.

He refused to comment on the reported allegation by the major Opposition parties in Tamil Nadu that the AIADMK had violated the code by describing in its election manifesto the Congress president, Sonia Gandhi, as a "foreigner." The Commission would, however, look into complaints about new roads being laid in places where the Tamil Nadu Chief Minister, Jayalalithaa, was visiting for the poll campaign, provided there was a specific complaint.

The Commission had issued notice to the Telugu Desam Party regarding two constituencies, including Adilabad, on the alleged violation of the code, Mr. Jha said.

The information provided by candidates on their criminal antecedents, educational qualifications and assets would be put up on the Commission's websites, along with their nominations in the language used by each contestant.

The Commission will make extensive use of information technology for conducting the polls and declaring results. Its headquarters here will receive all the results instantly upon their declaration in each constituency.

# Poll panel axe on govt ads

Nandini R. Iyer  
New Delhi, March 9

THE ELECTION Commission has asked the Centre and state governments to remove all hoardings and advertisements put up at the taxpayer's expense. These include the 'India Shining' campaign, commission sources confirmed.

The continued display of such hoardings and advertisements — even if these were put up before the announcement of the poll schedule — will amount to a violation of the model code of conduct, an EC

spokesperson said. The Centre and the states have been asked to file a compliance report.

The commission also ruled that the Andhra Pradesh government must explain why it had published a booklet titled *100 months of development* at public expense. It said the Punjab Governor "may not make" references to new schemes, plans and projects in his address to the first Assembly session of the year.

The commission directed the immediate transfer of six government officials in Jammu and Kashmir and one in Karnataka, advanced the elec-

tion schedule for the Andaman and Nicobar Islands and constituted a six-member team to oversee the polls in five Naxalite-hit states: Andhra Pradesh, Orissa, Bihar, Jharkhand and Chhattisgarh.

An EC spokesman said polling would be held in the Andaman and Nicobar Islands in the first phase — that is, on April 20. The Union Territory had told the commission that the weather could be uncertain in the region in May and could disrupt campaigning and polling.

See also Pages 13, 14 & 15



# Vajpayee plots Kashmir shine with Najma gloss

Nilova Roy Chaudhury  
in New Delhi

MARCH 4. — Should Prime Minister Mr Atal Behari Vajpayee return to power, he wants the Kashmir issue that's been plaguing Indo-Pak relations for over five decades to be resolved by the end of the year. To that end, he has set in motion various initiatives in what is perhaps the most serious attempt to resolve the issue. The peace process will form a key plank of the Prime Minister's election campaign and, should the NDA return to power, will be a priority of Mr Vajpayee.

Beyond the official road map that has already been chalked out, with a structured agenda for the bilateral dialogue process, Track-II initiatives include involving people who command wide acceptability on both sides of the border, such as deputy

chairperson of the Rajya Sabha Dr Najma Heptullah. In fact, the present controversy surrounding Dr Heptullah's political leanings has less to do party politics (whether she leaves the Congress and joins the BJP) and more to do with taking the Prime Minister's initiative for peace ahead with Pakistan.

According to sources, the Prime Minister is keen to utilise Dr Heptullah's lineage and background to add acceptability to the peace process among leading Muslim families that have influence in Pakistan. She has already begun to get acquainted with the present Pakistani leadership. When she attended the recent First Ladies' initiative for women's development in Islamabad, she used the opportunity to smoothen hurdles in the peace process with General Pervez Musharraf.

Dr Heptullah's related to Mau-

lana Abul Kalam Azad, whose refusal to buy into the Pakistan project gave post-Partition secularism credibility. By virtue of this relationship, and being privy to some of what transpired around the Partition era, Dr Heptullah commands a certain acceptability even in Pakistan, is the belief.

There are suggestions that she and Mr KC Pant (Mr Vajpayee's first negotiator on Jammu and Kashmir and now deputy chairman of the Planning Commission) may get key appointments should Mr Vajpayee return to power to facilitate a resolution of the Kashmir issue. These could include being appointed envoys to Washington and London, with Cabinet rank. Both the United States and, to some extent, Britain, would be in a position to and help push through a bilateral settlement with Pakistan, if convinced of its viability.

# HC asks govt for details of expenses on India Shining

TIMES NEWS NETWORK

New Delhi: Two days after the Delhi high court said that it is the citizen's right to know about the dues which the representatives in Parliament owe to various agencies, its Chief Justice B C Patel and Justice B D Ahmed on Wednesday asked the Centre to furnish details about the expenditure on the "India Shining" campaign.

The court also wanted to know the guidelines under which the expenditure was incurred. The judges were hearing two public interest litigations (PILs) challenging the government's India Shining advertisement campaign.

While declining to issue a notice to the government, the court said they "first wanted to get the figures from them (the Centre)". The court took notice of the fact that the Election Commission has already banned the India Shining campaign and adjourned the matter to March 10.

One of the PILs was filed by an NGO, Unemployed Youth Unity Movement, on February 25. The NGO's advocate Siddharth Mridul urged the court to ask the Centre to submit a "full and proper" statement of accounts spent on the campaign. The other PIL was moved by Chanchal Thakur who appeared personally. Both claimed that the ruling party was using the advertisement campaign to project its image ahead of elections.

During the arguments, advocate for the government, Sanjay Jain, asserted that a democratically elected government had every right to inform the people about its policies, programmes and achievements. It has been a common practice in the country, he said, and many governments in the past had done it and "this is followed even in the United States and Britain".

Meanwhile, Union law minister Arun Jaitley said the funds for the India Shining campaign were sanctioned in the 2003-04 budget and the figure of Rs 700 crore being cited by the critics of the campaign was "exaggerated".

4 MAR 2004

# Vajpayee vow to end BJP-Muslim row

Statesman News Service

NEW DELHI, Feb. 25. — Leading the BJP's biggest attempt to "communicate with Muslims", the Prime Minister today called for "continuous effort" to "break the wall... If walls can't be broken, let's keep the windows open, and if the windows can't be opened, let's at least look through the ventilator".

Mr Atal Behari Vajpayee was addressing the BJP's Muslim Development Conference here. Telling the audience that he was speaking as Prime Minister and not as BJP leader, Mr Vajpayee asked: "Why should we not get your votes?" The BJP, he claimed, "is not communal". He's even "ready for a debate with the Opposition" on the issue.

When a member of the audience criticised the Congress and asked the BJP to declare reservation for Dalit Muslims, Mr Vajpayee said: "Yahan Congress aur BJP ki ladayi nahin hai."

The only poster on the dais was that of the Prime Minister, though several senior

leaders attended the rally. Mr LK Advani was conspicuous by his absence.

Party chief Mr M Venkaiah Naidu said even if the minorities had problems joining the BJP, they could at least form committees in their neighbourhoods and work for Mr Vajpayee. Mr Jaswant Singh urged the minorities to join the Prime Minister's "develop India" cavalcade.

Mr Vajpayee said that when the Congress ruled the country, it instilled fear among Muslims that they would be driven to Pakistan if any other party came to power. "Ektarfa faisla nahin hona chahiye (You should not decide in favour of one party). Elections are coming and you've to judge a party's performance and decide who deserves your votes."

Mr Vajpayee reminded the audience more than once of his peace initiatives with Pakistan and other Islamic countries.

The countries which were not comfortable shaking hands with India now want to embrace this "resurgent" nation, he said.



GEARED UP FOR BATTLE: Mr Vajpayee at the Muslim Development Conference, organised by the BJP. — AFP

## Gujarat police

### 'exposed' in Bilkis case

NEW DELHI, Feb. 25. — Taking note of a CBI report that Gujarat police had closed the case relating to the gang-rape of Bilkis Rasool Yakooob during the post-Godhra riots despite clear information about the accused in the FIR lodged by the victim, the Supreme Court (coram, Babu, Mathur, JJ) today gave the agency three more months to complete its probe into the 1 March 2002 incident at Panivela.

The bureau highlighted the "serious lapses" in the way the state police had probed the case. There was also a serious threat to the security of Bilkis and other witnesses. The bureau drew the court's attention to the way the case had been closed after declaring the accused as "absconders".

The bureau said the investigating officer had been arrested and the role of other officers too was being probed. Local residents are too terrified to depose.

The court commended CBI's "progress" in probing the incident in which 14 people were killed. Eight of them were women from Bilkis' family. They were raped and killed. Bilkis, then pregnant, too was raped, but she survived.

**Arrest:** Salim Zardai, a prime accused, in the Godhra case, has been arrested from Rajasthan. — SNS

# PM's India will shine until code of conduct

OUR SPECIAL  
CORRESPONDENT

New Delhi, Feb. 9: Prime Minister Atal Bihari Vajpayee today defended his government's pre-poll advertising splurge, dismissing criticism from the new chief election commissioner.

"That government money is being misused is wrong. It is part of the government's duty that it should put its achievements before the people. The final decision is with the people," he said.

Yesterday, T.S. Krishnamurthy, after taking over as chief election commissioner, had expressed his personal opinion that "taxpayers' money should not be used for electoral advantages".

Vajpayee said: "Once it (the code of conduct) comes into operation it will be strictly implemented in letter and spirit."

Krishnamurthy had spoken of upholding "the spirit of the code of conduct" while admitting that the Election Commis-

## HOW ATAL COULD HAVE SPENT THE CASH

Projects the government could have implemented with the Rs 450 crore splurged on the publicity campaign



No. of houses for the poor **2,25,000**



No. of 100-bed hospital wards **652**



No. of shallow tubewells **17,375**

sion was powerless to stop a campaign like the one the government is now running because election dates have not been announced.

The code of conduct takes hold once that is done and the government is taking advantage of the interregnum.

"His (Krishnamurthy's) statement is correct from his point of view and what we are doing is correct from our point of view," Vajpayee added.

"But it is wrong to say... taxpayers' money is being misused. This (ad campaign) is a part of

the government's responsibility," he said.

"Ours is a democratic party and we believe in democratic traditions. Every government in the past had resorted to ad campaigns to highlight its achievements..."

Shortly after the Prime Minister's comments, Krishnamurthy paid him a courtesy call.

The BJP supported the government, though guardedly. After adding appropriate riders like "we respect the Election Commission and the model code of conduct", spokesman

Mukhtar Abbas Naqvi said: "But the Centre is directly connected to the lives of ordinary people. The ads give information on the development projects the government has undertaken. There is nothing wrong... because it is connected to the lives of farmers, labourers, teachers and students...."

The ad being most spoken about in the BJP headquarters had little to do with the government's "achievements". Playing on TV and FM radio, the ad shows the Prime Minister saying lines from his own poem.

"Kabhi swapn dekha ta/ jo aaj har dhadkan main hai,/ ek naya Bharat ka man mein hai irada (I once dreamt a dream, that dream is beating in every heart today, the intention to make a new India is in every mind)," Vajpayee says.

The 40-second spot, which has the Tricolour fluttering in the background, shows bright-eyed children and cheery workers looking on as Vajpayee speaks.

# Promises to Keep

## Jaswant hands out pre-poll IOUs across the board

As expected, the FM's interim budget was an exercise in good pre-poll politics, although many of his party colleagues might feel that he has not gone far enough. Whether his budgetary promises will prove equally efficacious economically remains to be seen. Constitutional proprieties may have restrained Jaswant from making any concessions on the direct tax front. But short of that, he did everything he could to promote the feel-good factor purportedly permeating the country. Where he could, he delivered; where he couldn't, he did the next best, by handing out IOUs: Vote us in, and we'll fulfil our promises to you. A significant part of the FM's speech was devoted to a so-far neglected farm sector, where he promised a "second green revolution". The accent was on providing cheaper and easier credit. The chosen instrumentality: public sector banks, which have been asked to provide below-PLR level loans for crops, rural infrastructure and agro-processing industries such as sugar and tea. Whether such micro-management will lead to greater rural prosperity or worse balance sheets for the banks is a question that will remain unanswered until after the polls. Another political coup — the delight of the treasury benches — was the merging of 50 per cent of the DA with the basic salaries of government servants, a 4.2 million strong votebank. While the FM quoted the fifth pay commission in justification, the largesse will likely cause long-term fiscal heartburn to cash-starved state governments. The private sector salariat has been wooed by a promised relook at standard deduction, the individual exemption limit and the tax structure in the full budget to follow.

So where's the money going to come from? In response, the FM produced, like a rabbit out of a hat, what was easily the central showpiece of his budget. A magically low fiscal deficit figure of 4.8 per cent of GDP. In the applause that followed it could of course be overlooked that the pesky fisc had been reined in not so much by curbing non-productive expenditure as by a sharp rise in receipts: A buoyancy in tax collections, an increase in dividend income from PSUs, and a steep rise of over Rs 5,000 crore in non-tax revenues. A higher-than-expected growth rate also helped reduce the deficit ratio. The worrying sign, though, is the huge projected cutback in capital expenditure — the more productive part of government spending — for the next fiscal. But the FM does deserve brownie points for several of his proposals. The decision to give tax exemption to 'ancillary' outsourcing operations of MNCs. This will help offset at least part of the anti-BPO hysteria that is currently sweeping political America. Then there is the reduction of 50 per cent duty on all business transactions requiring the use of Central government stamp paper, and the extension of the exemption on long-term capital gains for a period of three years. The first will bring down the cost of many economic transactions; the second will hopefully lure more retail investors to the bourses. All in all, the FM's proposals are based on the three P's which win elections — promises, promises and yet more promises. Performance? We'll see about that when we return after the polls.

# Interim budget: Another sop story

## Defence gets Rs 25,000 cr for upgrade ● Major deals await Cabinet nod

Press Trust of India  
New Delhi, February 3

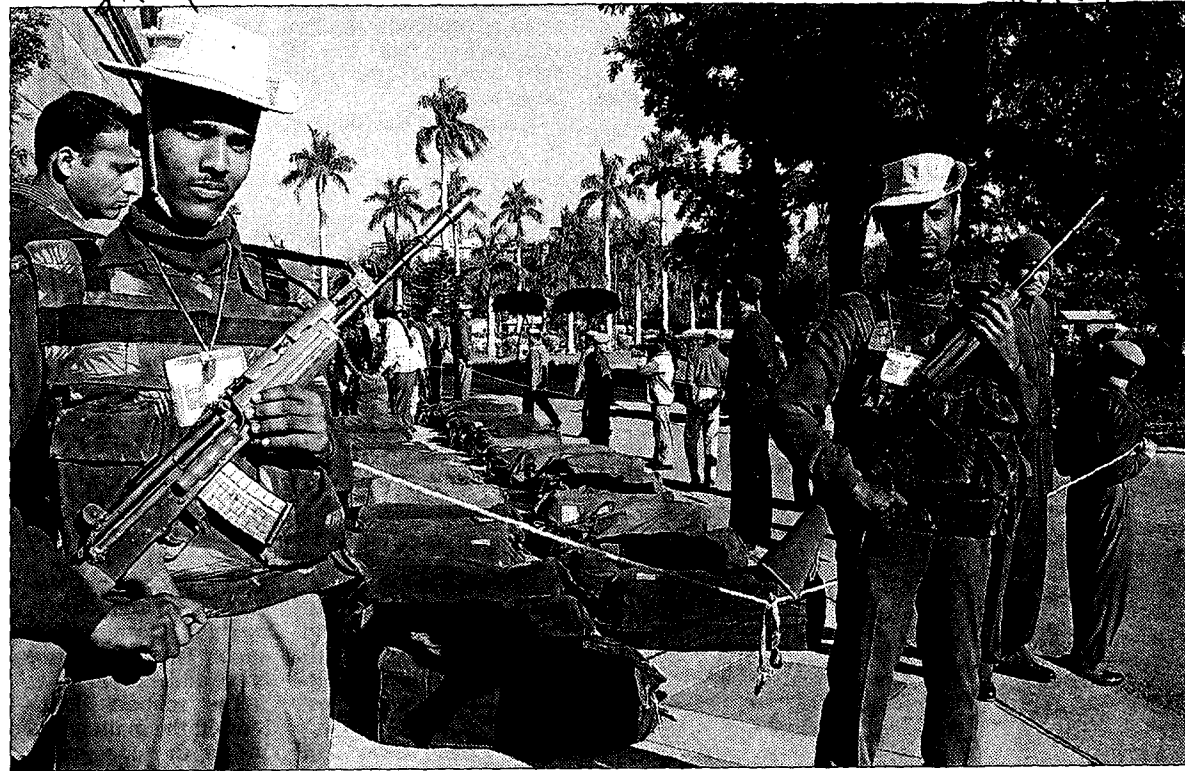
SIGNALING THAT the tempo of upgrading the armed forces will continue, the Union government on Tuesday announced setting up of a non-lapsable defence modernisation fund of Rs 25,000 crore.

"Adequate and committed availability of funds for defence modernisation and weapons system acquisition needs a satisfactory resolution," finance minister Jaswant Singh said, announcing the fund would be revolving one for a period of three years and would be made available from April.

In the proposals announced for 2004-05 in the interim budget in Lok Sabha, the government hiked the defence budget by Rs 6,300 crore to a whopping Rs 66,600 crore, a raise of almost 9.45 per cent against last year's revised estimates of Rs 60,300 crore. But even with the massive hike of over Rs 6,300 crore, India's defence spending will still be 2.12 per cent of its GDP, far less than China which has a staggering defence spending of 6 per cent of the GDP and Pakistan 4 per cent. For the four months of April, May, June and July, the defence ministry is asking for Rs 6048.10 crore.

The setting up of non-lapsable modernisation fund, a demand by the defence ministry for the last two years, indicated that government planned to go through with major acquisitions, defence experts said.

Awaiting the nod of the cabinet committee on security are major deals including one to acquire six 1,500 tonne displacement French Scorpene class submarines costing US\$1.6 billion.



SUNIL SAXENA/HT

**PAPER COPS:** Security personnel guard bags containing interim budget papers in New Delhi on Tuesday.

## Jaswant serves BJP poll agenda

Shekhar Iyer  
New Delhi, February 3

THE BJP'S election agenda stands largely served by Jaswant Singh's announcements. The party wanted the government to attract rural and middle-class voters with mild giveaways in an interim Budget, while holding out the carrot of more to come if it wins the early elections.

Singh carried out the party's mandate in its entirety. On the ticklish issue of merger of basic pay and dearness allowance, he was reluctant.

Singh understood the BJP's desire for a mild dose of populism, but didn't want to upset the apple-cart of the

Centre's delicate finances. The reason: several CMs had asked Vajpayee not to do it before the polls because they were not in a position to do the same for their employees who would go on the warpath. But, in the behind-the-scenes drama, BJP leaders — led by party chief Venkaiah Naidu and parliamentary party chief V.K. Malhotra — undertook a last-minute mission to the PM, away throughout the day in the South on Monday.

Malhotra, who has a sizeable number of government servants in his South Delhi constituency, sent an SOS letter to Vajpayee. Venkaiah told Vajpayee the BJP had to do something to save its skin from incurring the wrath

of employees not only of the Centre, but also of PSUs countrywide.

Venkaiah and Malhotra conveyed to the PM that, since the government could do little to raise the I-T exemption limits in a vote-on-account, it had to quickly decide on the merger issue.

Vajpayee wasted no time in conveying his decision to Singh, whose office managed to incorporate it in the Budget papers in time before they were sent for the President's mandatory sanction. Singh was asked by the BJP at its Hyderabad conclave on Jan. 11-12 that he had to pledge to revamp the I-T structure, with a rider that they were dependent on the BJP and allies winning the coming polls.

## 'Populist steps to raise deficit'

Press Trust of India  
New Delhi, February 3

THE OPPOSITION on Tuesday called the interim budget a "poll gimmick" and criticised the government for "doling out lollypops" to woo voters before the polls.

The Opposition was apprehensive that the number of populist measures announced in the vote-on-account would increase the deficit in the next budget.

They also criticised the NDA for leaving out the poor. "The budget... doesn't contain anything for the poor. There is nothing for farmers and the unemployed. It was also disappointing as people expected a rise in the IT exemption limit," Congress spokesman S. Jaipal Reddy said. His colleague Shivraj Patil said: "this is a budget for the election and not for the people."

RJD's Laloo Prasad Yadav said the NDA coalition was panicky that it might not return to power and had drafted the budget keeping the elections in mind. "That is why it is doling out lollypops to woo voters," he said.

BSP leader Rashid Alvi said the budget would only mislead voters.

The Opposition also raised procedural objections in the LS on Monday, and accused the government of violating the Constitution and parliamentary rules over the presentation of the "interim budget."

The Centre was found wanting in giving a cogent reply to issues raised by the Opposition, which held up the presentation of the budget.

3 FEB 2004

# Expect more sops, more jobs

HT Correspondent  
New Delhi, February 2

THE INTERIM Budget to be presented in the Lok Sabha on Tuesday by Finance Minister Jaswant Singh is expected to lay down a broad roadmap for infrastructure development and employment generation, lending a touch of credibility to the government's 'feel good' slogan.

There may be a separate section in the interim Budget on employment schemes as the BJP is keen to highlight its promise of "one crore jobs in five years and total employment by 2010".

Among the salient features of the interim exercise could be the doubling of allocation for the department of information technology. A comprehensive three-year e-governance package will include some centrally sponsored schemes with a corpus of Rs 12,000 crore.

Sources said the departments that now spend two per cent of their planned allocation on computers and related activities will be allowed to spend three per cent. The IT department will be allocated Rs 250 crore to popularise e-governance up to the block-level. There will be a separate Rs 80-crore allocation for Media Lab to bridge the IT gap between rural and urban India.

The proposals to be unveiled by Singh

would add teeth to the government's stress on employment generation and development of social infrastructure. For this, a 50-paise cess (in addition to the existing Re 1 per litre) is likely on petrol and diesel to generate funds for the Pradhan Mantri Gram Sadak Yojana and the Golden Quadrilateral scheme.

"But it needs to be seen whether the government agrees to levy the additional cess in the run-up to the elections. Anyway, if it's not announced now, it will be done immediately after the elections," said a government insider.

To raise additional funds, the interim Budget might include schemes for growth in the transport sector that will take care of the Rs 14,000 crore needed by mid-2004 for road development schemes, including the Golden Quadrilateral and the national highway projects.

The finance minister, sources said, will also spell out the government's blueprint for the Sagar Mala Project (to interlink rivers and ports) and Provision of Urban Facilities in Rural Areas (PURA), which was recently cleared by the Cabinet.

The Budget can include sops for the tourism and power sectors where the growth potential is significant. It may also touch on the contentious issue of PSUs buying power from the private sector.

## Vajpayee's end-of-term report card

The forex pile is growing at a billion dollars a week but prices are rising and no one knows how to cap the deficit



GDP growth (%)



Inflation (%)



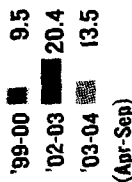
Fiscal Deficit (%)



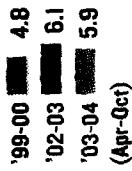
Forex Reserves (\$ billion)



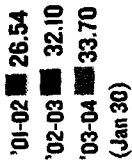
Export growth (%)



Industry growth (%)



Petrol prices Rs/litre





NO HIKE IN FARES, FREIGHT; 17 NEW TRAINS PLANNED

# Feel-good on the track

Statesman News Service

NEW DELHI, Jan. 30. — With Lok Sabha elections round the corner and the feel-good factor firmly in place, Mr Nitish Kumar expectedly did not propose any hike in passenger fares and freight rates while presenting the 'interim' Railway Budget for 2004-2005 in both Houses of Parliament.

Mr Kumar also announced 17 new superfast trains connecting state capitals and important cities of different states to New Delhi, pledged more connectivity by proposing new rail links to remote areas and promised more passenger friendly ticket reservation and cancellation services.

The papers laid on the two Houses of Parliament read "Introducing the Railway Budget for 2004-2005" which prompted Mr PR Das Munshi of the Congress to wonder if the minister had a mandate for another five years. Mr Kumar quipped, "Don't worry, we will be voted back to power again".

In the Lok Sabha, the presentation of the Rail Budget was delayed by 20 minutes because of an Opposition uproar over various issues. In the Rajya Sabha, a copy of the Budget was presented at 2.50 p.m. as the House first disposed of several other matters.

Playing the 'national card', Mr Kumar did not introduce any new trains or schemes for his home state, Bihar.

Mr Kumar sought approval for the vote-on-account for the new financial year 2004 - 2005 by presenting the revenue expenditure estimates before the two Houses of Parliament for April - July 2004.

Running at the speed of Rajdhani Express or faster on some routes, the Sampark Kranti Expresses connecting 17 state capitals to New Delhi would

## Highlights



- No increase in passenger and freight fares.
- Execution and completion of projects sanctioned on socio-economic considerations, connecting remote and backward areas to be speeded in the next five years.
- New series of fast trains named as Sampark Kranti Express to be introduced to connect states to New Delhi. Seventeen other Sampark Kranti Express trains will cover other states.
- Railway Protection Force gearing up to take over the additional responsibility of escorting trains and security of passengers with effect from 1 July 2004.
- Technology Mission on Railway safety — 14 projects approved as a joint effort between ministry of railways, ministry of HRD and industries.
- Special Rail Safety Fund outlay enhanced from Rs 2,311 crore to Rs 2,351 crore.
- Unreserved ticketing system to be extended.
- A pilot project of e-ticketing to be started on select Shatabdi Express trains.
- Train reservations through mobile telephones to be introduced.
- Regular incentive scheme announced for frequent Rajdhani, Shatabdi and Jan Shatabdi travellers.
- Information about delayed departure of Rajdhani, Shatabdi and Jan Shatabdi trains to be made available through SMS — pilot project announced.
- Tatkal services to be extended.

Graphic by Santanu

have all the amenities of the Rajdhani except that the trains would not be fully air-conditioned. It would have ordinary sleeper class coaches in addition to air-conditioned ones so that ordinary passengers can afford to travel fast without paying too much.

These trains will have regular stops only in their originating states. Once they cross the state boundaries they will run non-stop, except for a few

technical stops for changing drivers, till Delhi.

The first in the series of new trains will be introduced between New Delhi and Bangalore — Karnataka Sampark Kranti Express — on 8 February. It is expected to cover the distance in 32 hours against the 36 hours running time of the Bangalore Rajdhani.

For West Bengal, the new super fast train would originate from Sealdah —

falling under the Parliamentary constituency of Miss Mamata Banerjee, a strong critic of Mr Nitish Kumar. Other centres to have the super fast trains are Ranchi, Guwahati, Secunderabad, Samastipur, Durg, Ahmedabad, Trivandrum, Mumbai (Bandra), Jabalpur, Bhubaneswar, Jodhpur, Madurai, Chitrakoot, Kathgodam, Goa and Udampur (to cater to the people of J&K, Himachal Pradesh, Punjab and Haryana).

The minister also proposed to spend some Rs 43,000 crore for construction of new lines and gauge conversion to provide rail links to remote areas of the country termed the 'remote area rail sampark yojna'. Mr Kumar said that with a Rs 20,000 crore additional outlay it will 'provide employment to about three lakh persons during the construction period' and 18000 crore jobs per year once the projects are completed. The minister said ticket booking can be done through Internet and mobile phones and announced a special discount scheme for 'frequent travellers' on Rajdhani, Shatabdis and Jan Shatabdis.

The overall performance of the railways was claimed to be good as the current financial year ending March 2004 will see a surplus of Rs. 880 crore which is Rs. 200 crore higher than the budget estimates for the current financial year.

On safety, Mr Kumar said a long-term corporate safety plan 2003 - 2013 has been formulated and extra measures are being taken to ensure safety on rails.

The minister mentioned the role of Railway Protection Force in providing security to passengers. But the recent tragic incident of the Prime Minister's grand nephew being thrown out of a train by hooligans must have been in everybody's minds.

Another report, graphic on page 4



# Feel-good factor and rural areas

By M.S. Swaminathan

*Attention should go to steps that can extend the feel-good factor to rural women and men.*

THE MUCH talked about "feel-good factor" among the economically privileged sections of our urban population should not blind us to the fact that we have the largest number of poor and under-nourished children, women and men in the world, a majority of whom live in villages. Accelerated agricultural progress based on the principles of sustainable intensification, value addition and diversification is the best safety net against hunger and poverty in rural areas. Therefore, priority attention should go to steps that can extend the feel-good factor to rural women and men through mutually reinforcing packages of technology, techno-infrastructure, credit and input supply services, and public policies particularly in the areas of pricing and producer-oriented marketing. The substantial allocation announced by the Finance Minister for the rural sector needs to be used to strengthen the livelihood security of the rural poor and the ecological security of rural areas.

Job famine is now becoming our most serious socio-economic and socio-political challenge. Seventy per cent of our population is still rural. Environmentally sustainable advances in the productivity and profitability of major farming systems will help to generate both livelihood and income. Achieving productivity improvement in perpetuity without associated ecological harm in all major agro-ecosystems (irrigated and dry farming areas, hill zone, coastal zone, arid areas and islands), a phenomenon I termed "ever-green revolution" many years ago, is the need of the hour. The smaller the farm the greater is the need for marketable surplus, so that the farmer is able to earn some cash income. The following are some steps that will be useful in this context.

Inter-State conflicts in relation to jobs have started, in addition to conflicts relating to water. Ongoing employment schemes in rural areas relate largely to unskilled, manual work. We need to achieve a rapid transition from unskilled on-farm to skilled off-farm work through greater emphasis in the areas of post-harvest technology and value addition to primary products and biomass. Farmers will produce more if we can consume more. Further progress in agriculture will be directly proportional to the progress in post-harvest technology, crop diversification and value addition. At least a third of the landless labour families need to be provided value-added non-farm livelihood opportunities, if the nation is to become poverty-free. The impediments to on-

going projects such as food parks, biotechnology parks, agribusiness centres, agriclincs, small farmers' agribusiness consortiums need to be identified and removed. The programmes of the National Horticulture Development Board need strengthening. The Rural Godowns Scheme also needs to be implemented with greater vigour with adequate attention to the storage of perishable farm commodities.

Livestock and livelihood are closely inter-connected in the country, since ownership of livestock is more egalitarian. Feed and fodder are the major limiting factors in enhancing farm animal productivity. Tamil Nadu has become a leader in egg and broiler production. There is therefore a growing demand for feed. We should establish a Livestock Feed Warehousing Corporation, which could support the establishment of feed and fodder banks operated by self-help groups (SHGs). Without such support, landless labour families will not be able to take up animal husbandry to supplement income.

The United Nations has designated 2004 as the International Year of Rice (IRY). We have the largest area under rice in the world. In addition to grain, the rice crop produces over 200 million tonnes of biomass each year (straw, bran and husk). During the last International Year of Rice (1966), the Government of India had nominated me as the Convenor of the Programme. We organised 1,000 National Demonstrations in rice in the fields of small farmers during that year, which yielded on an average five tonnes per hectare. At that time our major emphasis was on improving productivity and production. Now, our major concern is increasing employment and income. Therefore, I suggest that during 2004 we commemorate IRY by facilitating the organisation of 1,000 Rice Refineries, about one in each block where rice is an important crop. The Rice Refineries should be designed to produce market-driven value-added products from every part of the rice plant. This scheme could be operated by NABARD like the agribusiness centre programme. It will be successful only if there are backward linkages with technological institutions, forward linkages with markets and lateral linkages among SHGs to generate the power of scale in the production and marketing ends of the en-

terprise. We have over 110 million farming families. All the Organisation for Economic Cooperation and Development (OECD) countries including the United States have 10 million farming families, for whom they provide a support of over \$1 billion a day. Affordable credit is the most important need of small and marginal farmers.

There is an urgent need for expanding the coverage of kisan credit cards linked to both health and crop insurance. The State Bank of India has a life insurance scheme linked to Kisan Credit Cards. A farm credit-cum-crop and health insurance consortium consisting of NABARD, SBI, Agriculture Insurance Company of India and other appropriate organisations may be formed to promote an integrated programme of agricultural credit and human and crop health insurance. The recent introduction of an Agricultural Income Insurance Scheme on a pilot basis is a step in the right direction. This scheme should be extended to cover all the farming families by the end of the 10th Plan.

We need urgently greater progress in improving the productivity, profitability, quality and sustainability of our major cropping systems. Besides attention to irrigation water, there is need for launching a national movement for safeguarding soil health and for improving soil fertility. Particular attention is needed to overcoming "hidden hunger" in our soils caused by the deficiency of micronutrients such as zinc, manganese, iron, sulphur and boron. Deficiencies of micro-nutrients in the soil are reducing the return from macronutrients like N, P and K. Every farm family could be given a kisan soil health card, indicating the fertility status of the soil and the steps needed to improve soil fertility and productivity. This can be done by agriclincs operated by self-employed farm graduates.

Interest in precision farming is gaining ground among our farmers. The High Level Committee for Micro Irrigation headed by the Chief Minister of Andhra Pradesh has suggested ways of producing more crop per drop of water. Demand management should receive as much attention as augmentation of supplies. Similarly, a Task Force chaired by me for harnessing agricultural biotechnology will be submitting its report shortly. We should promote the safe and respon-

sible use of biotechnology in agriculture; it can help breed crop varieties resistant to abiotic stresses such as drought and salinity. There is also need for intensive research on bioremediation techniques and solar desalination.

The Government of India has designated 2004 as the year for scientific awareness. We should launch a well-planned awareness generation programme relating to pesticide residues and water conservation and quality parameters. Genetic (genetically modified crops, Protection of Plant Varieties and Farmers' Rights Act) and trade (WTO agreement in Agriculture) literacy movements can be launched by local bodies during this year. Genome clubs should also be organised in schools to sensitise youth on the implications of the emerging age of genomics, proteomics and nanotechnology.

Sea water constitutes 97 per cent of global water supplies. Mahatma Gandhi wanted this social resource to be used for the poor. Seawater Farming for Coastal Area Prosperity involving the following components is being launched by MSSRF (M.S. Swaminathan Research Foundation) on a pilot scale: i. Cultivation of mangroves, *salicornia*, *atriplex* and other halophytes; ii. Culture of prawns/ shrimps in the canals, following low external input sustainable aquaculture (LEISA) techniques; and iii. Creation of non-farm employment based on aqua-products and organising coastal bio-villages for this purpose. Such a programme should cover all coastal wastelands.

Currently our pesticide standards are not based on acceptable daily intake (ADI) as it is done across the world. Standards will have to be revised to ensure that ADI is not breached. Standards for pesticide residues in food or beverages need not be based solely on Codex or European Union or U.S. standards. We should use the global standards as benchmarks to set our own standards keeping in mind the Indian diet and trade interests. Enforcement mechanisms are needed to ensure that pesticide residues remain below the stipulated levels. In the case of food and water quality there should be no double standards — one for the foreign and another for the Indian consumer. There should be no compromise on food and water safety and quality.

Social exclusion is the root cause of discord and conflicts. We need urgent steps to make social inclusion in relation to sharing the benefits of development the basic pathway to a national feel-good movement.

# Geelani home on talks day

**Abbas faction will come back empty-handed, says rival Hurriyat**

Majid Jahangir  
Srinagar, January 22

ON A day the All Parties Hurriyat Conference's Abbas faction held direct talks with the Deputy Prime Minister, hardline separatist leader Syed Ali Shah Geelani chose to stay at his Peer Bagh residence in Srinagar.

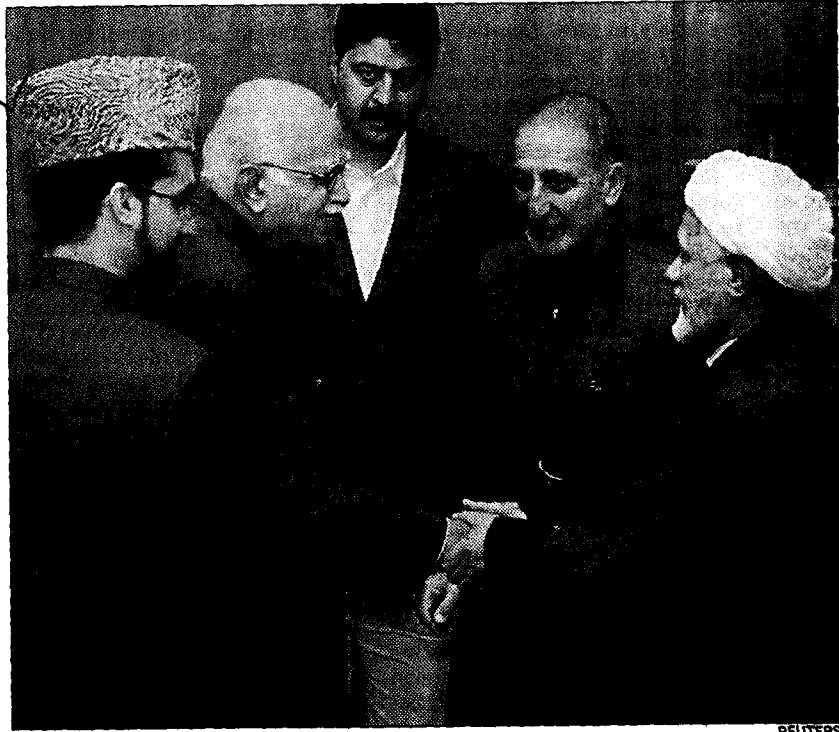
"Geelani *sahib* had no party business for today and has been busy with his new book since the last two days," a close aide of Geelani said. "We didn't allow anyone to meet him today."

As for the talks, "they carry no weight for a common man. Besides, why should we give so much importance to a dialogue which is bound to fail". It was routine at the APHC headquarters. But, though the functionaries insisted that they had nothing to do with the Abbas-Advani dialogue, the talks were obviously on their minds.

"These people (Abbas group) have cast a slur on the separatists' struggle and are going to return empty-handed," raged a second rung leader of the conglomerate.

Another separatist leader, Shabir Ahmed Shah, and his party activists were, however, watching every twist and turn of the dialogue on television. "We have to keep watch on the developments, especially at a time when talks are going on. That's why we were hooked on to our television sets," said Shah.

The common man too seemed unconcerned with the dialogue. "I don't see anything emerging from these talks. The talks would have had some credibility if the APHC were party to it," said a professor from Kashmir University.



Deputy Prime Minister L.K. Advani shakes hands with All Parties Hurriyat Conference chairman Moulvi Abbas Ansari in New Delhi on Thursday.

## PDP, NC optimistic over dialogue prospects

Arun Joshi  
Jammu, January 22

THE SIGNALS of the internal ceasefire that emerged after the All-Parties Hurriyat Conference-Centre dialogue that began in Delhi on Thursday, has brightened the smiles on the faces of the people of the Valley.

Even the ruling and Opposition parties have

lent their unqualified support to the internal ceasefire, the hints of which were available in the joint statement issued after the talks.

The people felt the words in the joint statement: "The Deputy Prime Minister endorsed the APHC's view that all forms of violence at all levels should come to an end" were a clear signal that the

ceasefire is in the offing. Chief Minister Mufti Mohammad Sayeed and NC president Omar Abdullah felt strongly that an internal ceasefire would help improve the climate in the state.

The Chief Minister hailed the dialogue's first round as a good beginning that gradually would open doors of peace and prosperity for the state.

## Short Parliament session announced

9. नवंबर 2004 9:11 AM

# Centre kicks off poll countdown

OUR SPECIAL  
CORRESPONDENT

New Delhi, Jan. 17: The Atal Bihari Vajpayee government today set the stage for early elections by announcing a short Parliament session starting on January 29. The session, which will end on February 5, is being called to pass votes-on-account for the railway and general budgets ahead of dissolving the 13th Lok Sabha.

The Lok Sabha will convene on January 29 and the Upper House the next day. Parliamentary affairs minister Sushma Swaraj said the railway vote-on-account will be placed before Parliament on January 30. The general vote-on-account will follow on February 3.

The minister would not say when Parliament will be dissolved, adding that the Cabinet will decide on this.

Swaraj waited until the Prime Minister had met President A.P.J. Abdul Kalam to inform him of the government's decision before speaking to the media. The minister spoke to Vajpayee and his deputy, L.K. Advani, earlier in the day.

The decision to convene Parliament was taken after finance minister Jaswant Singh and railway minister Nitish Kumar told Swaraj they would have completed their reports by then.

The minister also spoke to

### KEY DATES

- Parliament session from January 29 to February 5
- Railway vote-on-account slotted for January 30
- General vote-on-account on February 3

Lok Sabha Speaker Manohar Joshi and the chairman of the Rajya Sabha, Bhairon Singh Shekhawat, to get their consent for convening Parliament. She will formally write to them on Monday.

As Swaraj was making announcements, finance ministry officials worked feverishly on an interim budget as opposed to a mere vote-on-account that will secure sanction for spending until a new government is sworn in.

Top officials said the vote-on-account "would actually be an interim budget as the government would still be interested in bringing in some more soft people-friendly measures even though this vote-on-account or interim budget cannot bring any tax measures".

These measures are likely to include sops for the three-million-strong bureaucracy such as merging dearness allowance with salary. Two instalments of vote-catching sops have already been made public.

There will also be an attempt

to announce the NDA's economic manifesto through the statement of objectives for the interim budget. The government will not come out with a full-fledged economic survey, but will issue a survey of economic achievements much like a quarterly survey.

Officials said they would like to get a vote to spend 25 to 33 per cent of the government's total annual expenditure on development schemes or plan expenses.

Economists have traditionally argued that the higher the plan-spend, the higher the GDP growth and lower the poverty figures. But demands of subsidy expenditure, wages and salaries of a huge bureaucracy and interest pay-outs often mean cut-backs in plan-spend to 15-20 per cent in a normal budget.

However, this year the government is inclined to listen to economists. Its logic is simple: private sector investment is not forthcoming, especially in key infrastructure sectors such as highways and power. Hence more government spending is required to lift the growth rate, create fresh jobs and make reforms a political success.

With the spectre of "voluntary" separation and industrial closure looming large in industrial tracts, there have been rumblings of discontent even inside the BJP. As such, the spending is seen as a way out of the economic and political difficulties.

THE TELEGRAPH

18 JAN 2004

# Poll bonanza for Govt staff soon

Rajnish Sharma  
New Delhi, January 15

9 15/1/04 1671  
THERE'S GOOD news for Central government employees. The Finance Ministry has accepted in principle the Centre's proposal to merge 30 per cent of dearness allowance (DA) with the basic salary.

There's more. The government is also likely to announce an increase of 4 per cent in the DA. According to sources, the government is waiting for an opportune time to make the two announcements so that the feel-good factor is maintained for election time. Sources said the declaration by the Centre may come a few days before the Prime Minister, Atal Bihari Vajpayee, recommends dissolution of the Lok Sabha on or around February 5.

Merging 30 per cent of DA with the basic will be a windfall for government employees. A hike in their basic means an automatic increase in other allowances such as house rent and travel benefits. It will also get them better post-retirement benefits.

Government employees on deputation get an extra allowance, which is normally 5 per cent of the basic. So, that's another area where they will gain.

The Fifth Pay Commission had recommended that DA should be merged with the basic once it exceeds 50 per cent of the basic salary.

However, the Centre reportedly has scaled down the proposal to lower the financial burden on the exchequer. Still, the planned bounty for more than 25 lakh central government employees will cost it

## Military: Major gains



- ▶ Guaranteed career progression at least to the rank of Colonel (and the equivalent in Navy and Air Force)
- ▶ The beneficiaries are the 40% of officers who face supersession if they don't make it to Lt-Colonel
- ▶ Those who fail to make it to the rank of Colonel on the basis of selection will be given a time scale rank of Colonel after 26 years of service
- ▶ All officers will henceforth get the rank of Captain after 2 years of service. Currently it takes 5 years

around Rs 1,000 crore.

There is also a strong possibility that the Centre may announce the Sixth Pay Commission before the dissolution of the Lok Sabha. The fifth panel was formed in 1991 and as per convention a pay commission is set up after a gap of 10 years.

# Cracking India's two-front problem

By C. Raja Mohan

*By taking the difficult mental leap on how to negotiate with China and Pakistan, Mr. Vajpayee has reduced the political risk for his successors in handling the boundary dispute and the Kashmir question.*

IT IS not often that a government at the end of its term tries risky diplomatic ventures on issues of great national significance. But that precisely is what the Prime Minister, Atal Bihari Vajpayee, is doing. Barely six months ago, he launched India on the path of negotiating the sensitive boundary question with China. Last week in Islamabad, he opened the doors for historic talks with Pakistan on the Kashmir question. The National Security Adviser, Brajesh Mishra, who negotiated the deal in Islamabad, has rushed immediately to Beijing for the second round of talks on the boundary dispute with China.

One can certainly question the political assumption that underlies these two negotiations — that Mr. Vajpayee is going to lead his party and coalition to victory. A week is a long time in politics; and general elections always have an element of unpredictability. But there is no denying the boldness of the moves that Mr. Vajpayee has made. The Prime Minister has been driven by the conviction that India's relations with both China and Pakistan can be transformed. And that he can put his individual stamp to these processes. Nothing else explains Mr. Vajpayee's decision to run what traditionalists might call the "fool's errand" on the boundary dispute with China and the Kashmir question with Pakistan.

No one would have blamed Mr. Vajpayee for not trying to resolve these two great national security challenges, inherited from the founding fathers of the Republic. Mr. Vajpayee, like most of his predecessors, could easily have taken shelter under the two resolutions of Parliament — in 1962 and 1994. The first demanded that China return every square inch of the territory "lost" in 1962. The second proclaimed that the entire State of Jammu and Kashmir "belongs" to India.

Any attempt to resolve these two questions involves a significant departure from the long-stated positions held by the Government and the chattering classes. Yet Mr. Vajpayee has chosen to risk a negotiation. And the word from the South Block is that the Government will not allow the electoral calendar to come in the way of these talks. They will continue as if there is no imminent political change. While the risks of these talks with China and Pakistan are great, so are the rewards.

If Mr. Vajpayee can succeed in ei-

ther of these two negotiations, he would go down as a statesman and peacemaker. But there is more at stake than Mr. Vajpayee's personal reputation. If successful, either of these two negotiations could radically alter the strategic condition of India. If both these gambles end on a happy note, India could be liberated from the past obsessions on territoriality and take its rightful place in the world.

If there is one way to describe India's central strategic challenge after Independence, it was the three-front problem. Flanked by the two wings of Pakistan on the east and the west, India also had to handle the Chinese on the north. The very construction of the Indian map was hobbled by this problem and further aggravated by adversarial relations with both China and Pakistan. Just as India became a free nation, China too entered the modern world. A rising China and an emerging India, with their newfound nationalism and the imperatives of territorial consolidation inevitably clashed at the Himalayas. Meanwhile to the south of the Himalayas, the subcontinent was partitioned and India found itself in a prolonged confrontation with Pakistan. Kashmir turned out to be emblematic of the bitter legacy of Partition.

India's military, political and diplomatic energies were consumed for decades by this challenge. The break-up of Pakistan in the 1971 war reduced the three-front problem to a two-front one. But it did not in the end resolve the problem of coping with two adversaries who were locked in an all-weather friendship. To make it worse, China and Pakistan also tied up with the United States in the second phase of the Cold War. India then constructed a partnership with the Soviet Union.

The collapse of the Soviet Union in 1991 left India exposed once again. But the steady improvement of Indo-U.S. relations in the 1990s and the proclamation of a strategic partnership under the Bush administration eased the problem a little;

however, it did not let India out of the box. Playing the great power game was fine, but it was not enough to transform India's two-front problem. India had to deal with this on its own steam and find an exit.

Should India try and solve the problem with Pakistan first or China? Mr. Vajpayee's answer has been "let's attack on both fronts" — in a diplomatic sense.

India's attempts to befriend China in the 1950s were interpreted by some Western analysts as a framework to avoid the three-front problem and as a means to neutralise Pakistan. When India reached out to the West for assistance in dealing with China after the 1962 debacle,

the advice from the Anglo-American powers was to make up with Pakistan. In other words, their demand was to settle with Pakistan before dealing with China. This was the context in which India negotiated with Pakistan on the Kashmir dispute. The most substantive discussions ever between India and Pakistan took place between their Foreign Ministers, Swaran Singh and Zulfikar Ali Bhutto, during 1963-64. But these negotiations came to nought and the two countries drifted to a war in 1965.

Meanwhile, India's relations with China remained frozen amidst an enduring sense of bitterness in New Delhi. There was no way India could make a move to transform the relations with China despite the establishment of diplomatic ties in the late 1970s. The then Foreign Minister, Atal Bihari Vajpayee, understood the problem and made a brave effort to change the dynamic with Pakistan in 1979. Indira Gandhi towards the end of her life began to see the no-win situation India had caught itself in. She opened border negotiations with China in the early 1980s, but there was a hard to swallow lump in the throat.

A lot of credit goes to Rajiv Gandhi who for a moment appeared poised to attack the two-front problem. His 1988 visit to Beijing broke the mould of India's obdurate China policy. He opened the doors for normalisation

of bilateral relations and addressing the boundary dispute in a realistic manner. Rajiv Gandhi had also explored the brief opportunities that presented themselves in the late 1980s to embark on a journey of peace with Pakistan. His initiatives on the two-front problem came too late to be conclusive.

Mr. Vajpayee's moves to restructure the relations with China and Pakistan too have come towards the end of his political term. The betting at this moment is that unlike Rajiv Gandhi, Mr. Vajpayee has a better chance of coming back to power. Irrespective of what happens in the elections, Mr. Vajpayee has introduced a new flexibility in India's position on both these difficult questions. By taking the difficult mental leap on how to negotiate with China and Pakistan, Mr. Vajpayee has reduced the political risk for his successors in handling the boundary dispute and the Kashmir question.

On the boundary issue, Mr. Vajpayee signalled this in his address to the combined commanders conference last November. Pointing to the strategic importance of settling the boundary dispute with China, he urged the nation to prepare itself for "pragmatic decisions". As he underlined the gains from such a settlement, including the release of India's military and financial resources, he was informing the nation that New Delhi was ready to give up many of its past territorial claims as part of a sensible deal with China. On the eve of his visit to Islamabad, Mr. Vajpayee underlined India's new readiness for a serious negotiation on Kashmir. He also indicated India's willingness to go beyond the stated positions of the past, when he conceded that territorial *status quo* along the Line of Control will not be acceptable to Pakistan.

We need not be detained here by the debate on the nature of the settlements that India might eventually arrive at in its talks with China and Pakistan. They will be part of a very hard bargain. But the very decision to get there reflects a new political maturity and a determination to break out of the strategic trap that circumstances set for India at the time of Independence. The Kashmir dispute with Pakistan and the boundary problem with China formed a chain and a ball on each of India's feet. India is now ready to free itself.

# Advani calls Hurriyat to peace table

HFI 14/1  
 Chandan Nandy, Rashid Ahmed and Arun Joshi  
 New Delhi/Srinagar/Jammu, January 13

THE CENTRE on Tuesday formally sent an invitation to the All Parties Hurriyat Conference headed by Moulvi Abbas Ansari — considered a moderate — and set January 22 as the date for talks with the separatist outfit.

The invitation was sent by Deputy PM L. K. Advani who will begin formal negotiations with Ansari's faction. A fax message sent to the Hurriyat read: "Pursuant to the decision of the Cabinet Committee on Security on October 22, Deputy Prime Minister L. K. Advani would like to meet you on January 22."

The offer was made a little over a week after India agreed to talks with Pakistan next month to resolve all outstanding disputes, including Kashmir.

The decision to extend the invita-

S. ras g m

## LET'S TANGO

- ▶ **Policy shift** Calling it a "sincere effort by Indian govt", Hurriyat chairman Abbas Ansari (right) accepts the invitation
- ▶ **Wider representation:** Hurriyat will invite Jamaat-e-Islami and JKLF chief Yasin Malik to the meeting
- ▶ **Flexible approach:** Hurriyat will offer flexibility on some issues
- ▶ **Ceasefire:** Hurriyat will demand a ceasefire and militants to cease fire



tion was taken last weekend at a meeting of senior officials — from the Prime Minister's Office, Home Ministry, intelligence agencies — and the Centre's interlocutor on Kashmir, former home secretary

N.N.Vohra. Once Advani breaks the ice with the Hurriyat, Vohra will take charge of the dialogue. It isn't yet clear whether the Centre will appoint more officials to accompany Vohra

for talks. The invitation was specifically for the Hurriyat faction, which has shown a willingness to sit across the table. Chairman M.A.B. Vajpayee government has no reservations about having a dialogue with Syed Ali Shah Geelani's faction.

Describing the invitation as a "sincere effort" by the Indian government, Ansari said that earlier the Centre had invited talks under the Constitution of India but "we insisted on a dialogue". "Now that we have agreed to this, we too don't want any hassles," he said. Hurriyat would invite members from the executive council, general council and working committee to discuss the matter. He said his group will invite the Jamaat-e-Islami and JKLF chairman Yasin Malik too to attend the meeting. "We want to walk together," he said. The meeting is likely to be attended by former Hurriyat chairman Mirwaiz Umer Farooq.

'BJP ADHERED TO COALITION DHARMA'

# Congress ties with DMK unprincipled: Vajpayee

By Dasu Kesava Rao

HYDERABAD, JAN. 11. The Prime Minister, Atal Bihari Vajpayee, has accused the Sonia Gandhi-led Congress of entering into an unprincipled alliance with the DMK in Tamil Nadu for "narrow electoral advantage," after blaming it for involvement in the assassination of Rajiv Gandhi.

Mr. Vajpayee, who was addressing a public meeting of the Bharatiya Janata Party here on Sunday, sought to make a comparison between the 'unholy alliance' the Congress was entering into and the BJP's consistent efforts to forge an understanding with parties believing in nationalism, integrity of the country and democracy.

The BJP, he said, was convinced that a vast country like India could be run only by a coalition government, a position which the Congress was now forced to accept. Mr. Vajpayee said the BJP-led coalition lasted nearly five years unlike the failed experiments of the past because it sincerely adhered to the coalition dharma of equality and even-handedness. He referred to the BJP's impressive victories in three States and said the Congress' victory in Delhi had little political significance.

Mr. Vajpayee thanked the Telugu Desam and its leader, N. Chandrababu Naidu, for their steadfast support to the NDA Government. He had invited the TDP to join the NDA Government, and Mr. Naidu had de-



The Prime Minister, Atal Bihari Vajpayee, inaugurating the national executive meet of the BJP in Hyderabad on Sunday. The Deputy Prime Minister, L.K. Advani, and the party president, M. Venkaiah Naidu, are also seen. — AP

clined but had offered support from outside. "I hope that after the elections, they will join us."

Mrs. Gandhi had scoffed at the NDA's assertion of a seven per cent national growth, dismissing it as *mungerilal ke sunehre sapne*. Mr. Vajpayee reminded her that "if we see dreams, we are also capable of realising them." She had also

questioned the NDA Government's ability to generate one crore jobs every year even while pursuing its economic policies. When he showed proof of this in Parliament, Mr. Vajpayee said she had no answer, but kept on harping on the issue outside the Lok Sabha. He urged Ms. Gandhi to play the game of politics without lowering parliamentary

and democratic norms.

## Peace with Pakistan

Referring to his recent visit to Islamabad, the Prime Minister hoped that the ceasefire and other initiatives taken to normalise and strengthen relations with Pakistan would be maintained. India, for its part, would abide by the agreement. With

India tightening its security and Pakistan taking preventive steps, there would be no further infiltration and the new year would usher in an era of peace and stability, he said.

Recalling how India had always sought peace and friendship with its neighbours, Mr. Vajpayee said he had tried to build bridges with Islamabad by undertaking a bus trip to Lahore, which ran into hurdles. The next initiative with the Pakistan President, Pervez Musharraf, in Agra too did not click. But undaunted by the setback, he had held out the hand of friendship to Pakistan at a meeting in Srinagar. "I am glad they have responded to it, although a little belatedly."

Seeking to expand the scope of this friendship, Mr. Vajpayee said Pakistan should also look for closer ties in trade and business. He could not understand why Pakistan should seek to import certain items from the West at great cost when it could get them from India. "Why should they knock at the door of others when we are here to help?"

Unfolding a grand vision of prosperity and development that awaited them, he appealed to the youth to shed violence and reap the fruits of this bright future.

## Advani indisposed

The Deputy Prime Minister, L.K. Advani, who flew in here on Sunday for the BJP's two-day national executive meeting, was indisposed with fever and sore throat. He could attend only the inaugural part of the meeting.

Mr. Advani could not make it to the public meeting addressed by the Prime Minister, Atal Bihari Vajpayee, in the evening nor to the dinner hosted by the Andhra Pradesh Chief Minister, N. Chandrababu Naidu, for the Prime Minister, his colleagues and members of the BJP executive.

## UNI reports:

Mr. Vajpayee appealed to the naxalites to give up the path of violence and join the mainstream of life. "Naxalism is growing in parts of Andhra Pradesh and innocent people are being gunned down which is not a healthy sign. Violence is not the answer, as it can never solve the problem," he said.

## Venkaiah sounds election bugle

By Neena Vyas

HYDERABAD, JAN. 11. The bugle for an early Lok Sabha election was blown loudly and clearly here today by the Bharatiya Janata Party president, Venkaiah Naidu, but there was no official word as yet on the timing of the poll with two party general secretaries appearing to say different things.

Delivering the inaugural presidential address at the BJP's two-day national executive committee meeting, Mr. Naidu asked party workers to "transform the election campaign from a party campaign to a people's campaign, create a 'big wave' for the party and the National Democratic Alliance and help secure a "much larger

mandate" to meet the goal for Mission 2004. He hailed the Prime Minister, Atal Bihari Vajpayee, as a "great unifier," as a "world statesman" and added that he was the ruling coalition's "biggest asset."

And the party planned to make the most of this, especially as on the opposing side there was no clear indication of who the prime ministerial candidate was.

The formal discussion on advancing the general elections by a few months ahead of the September schedule will take place at the executive committee meeting tomorrow when the political resolution is taken up.

Although the party general secretary in-charge of elections, Pramod Mahajan, in-

dicated on Saturday that the elections could be in March, today the party spokesperson and general secretary, M.A. Naqvi, avoided being drawn into that controversy, maintaining that he "could not say anything" because the executive had not yet discussed the subject.

"The party will give its opinion (on advancing polls) at the working committee meeting tomorrow, then the Government will decide. It is not the job of a political party to decide on the dates for polls."

He was asked whether the views expressed by Mr. Mahajan were his own, but to that he said, "They were his views as well as those of the party."

PM yet to decide: Page 11



# Vajpayee presses early poll buzzer

Vaj 804 H-1 12/10/04

Shekhar Iyer and  
Pankaj Vohra  
Hyderabad, January 11

PRIME MINISTER Atal Bihari Vajpayee on Sunday indicated the elections were round the corner and urged political parties not to turn their battles into mud-slinging matches but maintain "decorum and decency".

Addressing a huge BJP rally on the sidelines of a party conclave to discuss the timing and strategy for the Lok Sabha elections, Vajpayee said: "The elections are going to take place, but the level of our political debate should not degenerate. We have to remember that we are a democratic country with parliamentary values, and we will have to work together for the country once the polls are over."


The BJP national executive is likely to adopt the political resolution wherein the recommendation for early polls will be made on Monday morning.

The NDA had already, in the presence of BJP chief Venkaiah Naidu and Advani, authorised the Prime

### 'WHY ARE THEY AFRAID OF A WOMAN?'

LASHING OUT at the BJP for repeatedly raking up the issue of her foreign origin, Sonia Gandhi on Sunday said she only cared for the people of the country and not for such criticism. "I don't know why these people (BJP workers) are afraid of a woman. I don't care. I just care for the people." Asked to crystal-gaze on who would form the government at the Centre after the forthcoming polls, she said, "I can tell that the BJP or NDA won't form it."

PTI, Meerut



Minister to take a final view on advancing the elections.

Sunday's gathering was itself like an election rally. The Prime Minister did not just restrict himself to highlighting his government's achievements. He also attacked the Congress for its decision to align with the DMK and criticised Sonia Gandhi for forging "unprincipled alliances" with those accused of her husband's assassination.

He also urged Andhra

Pradesh Chief Minister N. Chandrababu Naidu's party to join the NDA the next time. Naidu reciprocated by saying that he had not ruled out the option.

PMO officials said several factors would have to be taken into account before a final decision on early polls is taken. One factor is Vajpayee's scheduled visit to Thailand in February. Vajpayee might not like to go there as a caretaker Prime Minister.

More reports on Page 4



# Centre provides Rs. 50,000 crores for 'second Green Revolution'

● Sops now for rural India ● Rs. 50,000 crores for infrastructure development ● Higher interest bonds for senior citizens

By Alok Mukherjee

NEW DELHI, JAN. 9. In a sequel to the decisions taken on Thursday, the Union Finance Minister, Jaswant Singh, today announced another round of pre-election sops, this time aimed at rural India, the small-scale sector and senior citizens. The amounts involved are huge — Rs. 50,000 crores over the next three years for what he calls "the second Green Revolution," another Rs. 50,000 crores for infrastructure development and Rs. 10,000 crores for the small-scale sector.

For senior citizens, he announced the launch of 'Dada-Dadi' bonds to enable people above 60 years of age to earn interest higher than the prevailing market rate. These bonds will be introduced from April 1, 2004. Bright young Indians too have been covered under the latest announcements and the existing education loan scheme of banks would be liberalised to allow access to higher loans at 200 basis points below the Prime Lending Rate (PLR), the rate that banks charge their best customers.

• A new rural housing scheme

called 'Atal Grameen Griha Yojana' will become operational from April this year and would include, among others, a mechanism to provide insurance cover against defaults arising from non-enforceability of the security because of defects in the title or title disputes. Incentives would also be provided to lending agencies for rural housing finance and compensation has been proposed for commercial banks, regional rural banks and housing finance institutions for higher incidence of non-performing assets in rural areas by way of a tax exemption on the

entire income derived from advances for rural housing. Flexibility for repayment of rural housing loans in line with the harvesting season would also be introduced from April this year.

For the small-scale sector, a Small and Medium Industry (SMI) fund would be structured by the Small Industries Development Bank of India with an initial amount of Rs. 10,000 crores, spread over two years. The interest burden on the ultimate borrower would be 200 basis points below PLR, consistent with reasonable risk premia over the current cost of funds. This fund would be operational in four weeks.

To develop infrastructure, a package would be evolved with a mix-match approach of external commercial and domestic borrowing and capital would be provided speedily at rates 200 basis points below PLR. Towards this end, an aggregate additional investment of Rs. 50,000 crores would be catalysed over the next three years in infrastructure and manufacturing projects like power generation, sea ports, airports, roads, tourism, telecommunications and urban infrastructure. To the extent necessary, the Government would provide financial guarantees, appropriate risk mitigation measures and other financial resources. The details of the fund would be finalised by March 1 this year.

For the 'second Green Revolution' which includes wasteland development, minor irrigation, functioning and viability of cooperatives, grading,

certification, storage of agro-products and their processing, cold chains and modern abattoirs, the National Bank for Agriculture and Rural Development (NABARD) has been asked to work out details of a Rs. 50,000-crore programme spread over the next three years. Any funds required by NABARD, in addition to the existing unutilised portion of the Rural Infrastructure Development Fund (RIDF), would be made available by the Government in an appropriate mix of finances raised from the capital markets and budgetary resources. For the ultimate borrowers, the rate of interest would be 200 basis points below PLR. The Government expects the fund to be operational in four weeks.

The food subsidy policy is also being amended with the Government now allowing the Food Corporation of India to borrow for its procurement operations from the market through bonds, backed by Government guarantee. This is likely to reduce the Government's food subsidy bill by a minimum of Rs. 2,000 crores a year.

A new external commercial borrowing policy is also being formulated which would promote investment in industry, including in small and medium enterprises. While making these announcements, the Finance Minister again maintained that these were not done with an eye on the elections. These steps were required to provide a further impetus to the on-going growth process in the economy.

## HIGHLIGHTS

■ A Rs. 50,000 crore Agricultural Infrastructure and Credit Fund to be operational in four weeks.

■ A Rs. 10,000 crore small and medium industry fund spread over two years and operational in four weeks.

■ Cheap credit at a highly-competitive rate of interest to the infrastructure and manufacturing sectors through external commercial and domestic borrowings.

■ 'Atal Grameen Griha Yojana' to provide, among others, insurance cover against defaults arising from any non-enforceability of the security because of defects in the title or title disputes.

■ Liberalising the education loan scheme of banks to allow higher student loans at two per cent below the prime lending rate.

■ 'Dada-Dadi' bonds for elders bearing returns higher than the existing rates of interest, applicable to those above the age of 60.

THE HINDU

# *गुजरात* *विकास* **Lucky Atal** *(11-12)* **Jaswant's bonanza adds to PM's soaring stock** *10/11*

Is Atalji India's man of destiny, as the current chorus in the metropolitan media seems to suggest? Or is he plain lucky? The PM's many sterling qualities notwithstanding, it is perhaps best that the first question is left to time and future historians. As for the second, the answer is unambiguous. From a bountiful monsoon, which spurred the current economic boom, to the resounding victory in the recent state elections, courtesy a dispirited and disorganised opposition, Atalji has had his fair share of fortune in the last six months. However, as the BJP's unquestioned leader, he's also made his own luck. It is in this light that one ought to see Thursday's 'mini-budget' of across-the-board duty cuts. A clear signal for early polls, Jaswant Singh's bonanza has two components. On the one hand, it seeks to encourage new investment in the economy by making imported inputs and machinery cheaper. On the other, it targets the BJP's core middle class constituency by making things cheaper — from air travel to cellphones, computers and sundry electronic equipment — thus enhancing the 'feel-good' sentiment. The FM's defence that the 'reforms' were motivated less by political calculations than by sound economic motive — rationalisation of customs duties, for instance — is belied by their timing and scope.

But this is nothing new. In an election year, finance ministers, the world over, are known to open up their war chests. The real question is not so much the rationale behind the FM's decision as the economic implications of his move. Two things are clear. First, the slew of concessions will add to the fiscal deficit. While Mr Singh can argue that the revenue shortfall, estimated to be around Rs 11,000 crore, will be made up by the increased consumer spending — and the resultant spurt in growth — past evidence does not bear this out. Besides, there is an inevitable time-lag between tax rate cuts and the expected rise in revenue through higher growth. Second, this year's monsoon may have revived the fortunes of the farm sector, but the long-term health of our agricultural economy is a matter of great concern. And it is agriculture that still employs nearly two-thirds of our workforce. In one word, the BJP is entitled to woo its own, but the feel-good must percolate to the countryside for the party to reap the electoral harvest: The Rs 50,000-crore rural credit and infrastructure fund, belatedly announced by Mr Singh, may have come too late for a sector that has been neglected for the better part of a decade.

# Bad politics

9-2-2004  
5:00  
10/11/04  
But don't miss the good economics

The obvious, entirely valid and unanswerable criticisms of Jaswant Singh's quasi-budget are, first, it devalues the parliamentary process, second, it is a too-clever-by-half avoidance of electoral code of conduct restrictions and, third, it is fiscally adventurous. The BJP argument that constitutional propriety has been maintained while announcing tax concessions worth Rs 10,000 crore, is irrelevant. No one expected the government to violate the letter of the Constitution. It is the spirit of a legislative and electoral system that has suffered. But the justified indignation over politicking should not be a reason to not appreciate an interesting point in political economy: liberal economic policies are being thought of as vote winners.

Singh's list of tax cuts concentrated mostly on import duties. Remember the pre-election budget of the original Singh in the finance ministry, Manmohan Singh, a committed reformer, was virtually unrecognisable as PV Narasimha Rao prepared for elections. Cuts in customs duties were especially "dangerous". But that was in the mid-1990s when the battle over the soul of economic policy was still on.

Nearly a decade later politicians, even those from a party once ideologically committed to swadeshi, have seen and learnt enough about liberalisation to know that it privileges consumers over producers. And, of course, consumers have more votes. Students of Indian economic policy should therefore rejoice that a quasi-budget aimed at elections cuts the peak rate of customs duty and cuts rates on such classics of consumerism as cellphones, computers and air travel. Of course, the urban classes are being wooed. But they were never part of direct election strategies before. This, along with both the BJP and the Congress talking of governance and economic performance as key poll issues, is proof that India, while not quite shining, is changing. Indian politics is changing with it and there are reasons to hope that the change may be irreversible.

Some will argue that a flip side of this is that parties, especially the big two national parties, will ignore the masses, as indeed it seems has been done in Jaswant Singh's duty concessions. This is clearly untenable for two reasons. In the first place concessions for, say, farmers, the unorganised sector and small industry have been already announced and more concessions may be on the way — for example, a cut in interest on farm loans. Two, and by far the more important, mirror images of urban sector concessions are a bit of a mirage in the rural and the poorer sector.

Take fertiliser subsidies. They mostly go to bloated and inefficient fertiliser units. Or take procurement prices. They help only a relatively small proportion of farmers in a few states and in many cases dues have piled up. What Indian farming needs is freedom for farmers to sell their products wherever they want and government irrigation projects. Reforms and infrastructure, the things that are changing urban India.

Sops meant for the electorate will win votes only when there is a productive economic base, otherwise Digvijay Singh would not have lost in the last assembly elections. Chandrababu Naidu, surprisingly, seems to be harbouring the same illusion as he announces a slew of "pro-poor" concessions. The poor need economic opportunities and good infrastructural support, just like the middle class and the rich do. That's the next change Indian politics has to aim for.

# Centre rolls out another set of sops

SNS & Agencies

NEW DELHI, Jan. 9. — With early Lok Sabha polls on the anvil, the Centre today announced another set of sops for the agriculture sector, senior citizens and students. Finance minister Mr Jaswant Singh said Rs 110,000 crore would be invested in rural areas, infrastructure, and small and medium firms.

Mr Singh announced a three-year, Rs 50,000-crore Nabard programme to improve agro-infrastructure facilities, farm-sector exports and the diversification of crops. The money would be arranged within four months. The interest rate for

the ultimate borrowers from the fund will be around 200 basis points below the Prime Lending Rate (PLR).

The finance minister said Food Corporation of India was being allowed to borrow from the market through bonds which would be backed by a government guarantee. He also spoke of investments worth Rs 50,000 crore over the next three years in power generation, sea ports, airports, roads, tourism, telecommunications and urban infrastructure.

For senior citizens, a new *Dada Dadi Bond*, carrying an interest rate higher than the prevailing market rate, will be introduced from 1 April. Mr

cent seats for Indian workers in the Gulf and S-E Asia, he said.

The finance ministry is readying a full-fledged budget and an interim budget. "If elections take place on schedule, then it will be a full budget. However, if they are held before schedule, it will be an interim budget or a vote-on-account," Mr Singh said. Today's pro-middle class announcements, he said, are not pre-poll measures.

The finance minister predicted that the economy would grow at a rate higher than the Reserve Bank of India's projection of 7 per cent. He said external commercial borrowings for infrastructure projects and by small and medium enterprises, with

higher loans at 200 basis points below PLR. Indian educational institutions will reserve 15 per

## HIGHLIGHTS

- Nabard to invest Rs 50,000 cr over three years in agri-infrastructure and farm sector exports
- Senior citizens to have a special bond with interest rate higher than the market rate
- Educational loans will be liberalised



an average maturity of five years if utilised for investment in critical sectors, would be automatically approved. The restructuring of the Industrial Finance Corporation of India and the conversion of Industrial Development Bank of India into a universal bank will be completed by 1 April, he said.

Earlier today, the Prime Minister announced further liberalisation of the capital account, allowing firms to make global investments in the farm sector. Indian firms can now make overseas investments up to 100 per cent of their net worth, either through an overseas joint venture or a wholly-owned subsidiary, Mr Vajpayee said.

# Govt puts Bengal first, Sensex volatile, hits new high

Statesman News Service & PTI

Anindita Chaudhuri  
in Kolkata

Jan. 9. — It's official. English is set to return to Class I in government-run primary schools after a gap of 24 years. Announcing the decision, the state school education minister said today that English would be taught from Class I as the second compulsory language from the session beginning in May 2004. English is now taught from Class III, though students in Class II are made familiar with the alphabet and rudimentary words from the second semester.

After a meeting with the various teachers' organisations on the recommendations of the Prof. Ranjugopal Mukhopadhyay Committee on school education, Mr Biswas announced: "The government has decided to introduce English from Class I from the next academic session." The report had recommended that English as a second, compulsory language

**FOR WHOM** Students of 50,000 government-run primary schools and 16,000 Shishu Shiksha Kendras run by panchayats. **HOW MANY** Approximately 2,00,000 students in Class I will begin studying English from the 2004 academic session.

**POTTED HISTORY** In the early 1950s, the then chief minister Dr BC Roy initiated the policy of teaching English from Class III, but this lasted only a few months. In 1981, the LF adopted the recommendations of the HB Majumder committee that English be taught from Class VI. In 1992, the Ashok Mitra Commission had recommended teaching the language from Class V and the Pabitra Sarkar Committee in 1998 recommended that it should be taught from Class III, but familiarisation should begin in Class II. In December 2001, the Ranjugopal Mukhopadhyay Committee submitted its report to the government with the 'opinion' that English be taught from Class V.

should be taught from Class V. When asked why the government felt it necessary to change its earlier decision of not teaching English at the primary level, Mr Biswas justified the reversal of policy, saying "the priorities have changed... When we came to power our priority was universal education. But now with just a few lakh students remaining out of school we can afford to teach English at the primary level. Nowadays, the students are more matured than before to tackle a second language from a tender

age." He also felt that with the winds of change setting in with globalisation and the advancement in IT, the need to communicate in English has acquired greater importance.

Dismissing scepticism about the quality of teaching, the minister said every school would have at least one newly-trained teacher for the subject. The primary education board has started the teacher orientation programme with British Council's help. The training will be completed before the new academic session starts. New text

books will be introduced.

Although the CPI-M's teachers' wing clung to their earlier objections, they were doing no more than going through the motions as the party's top leadership — including Mr Buddhadeb Bhattacharjee and Mr Jyoti Basu — had spoken in favour of introducing English in Class I.

## Lifestyle education too

The government also decided to introduce "lifestyle education" for adolescent students from Class VIII as recommended by the school education committee. Another recommendation accepted was that of curtailment of vacations to 65 days from the current 80 days. However, the government has ruled out any change in the session duration, rejecting the recommendations of the committee as well as that of a few teachers' organisations.

**What Bengal did yesterday, the French are doing today! page 3**

## Door opens to outstation engg. students

KOLKATA, Jan. 9. — The state higher education department will allow private engineering colleges to admit students from outside Bengal under the management quota, provided they clear the All India Engineering Entrance Examinations. The move will help those colleges that haven't been able to fill up their seats.

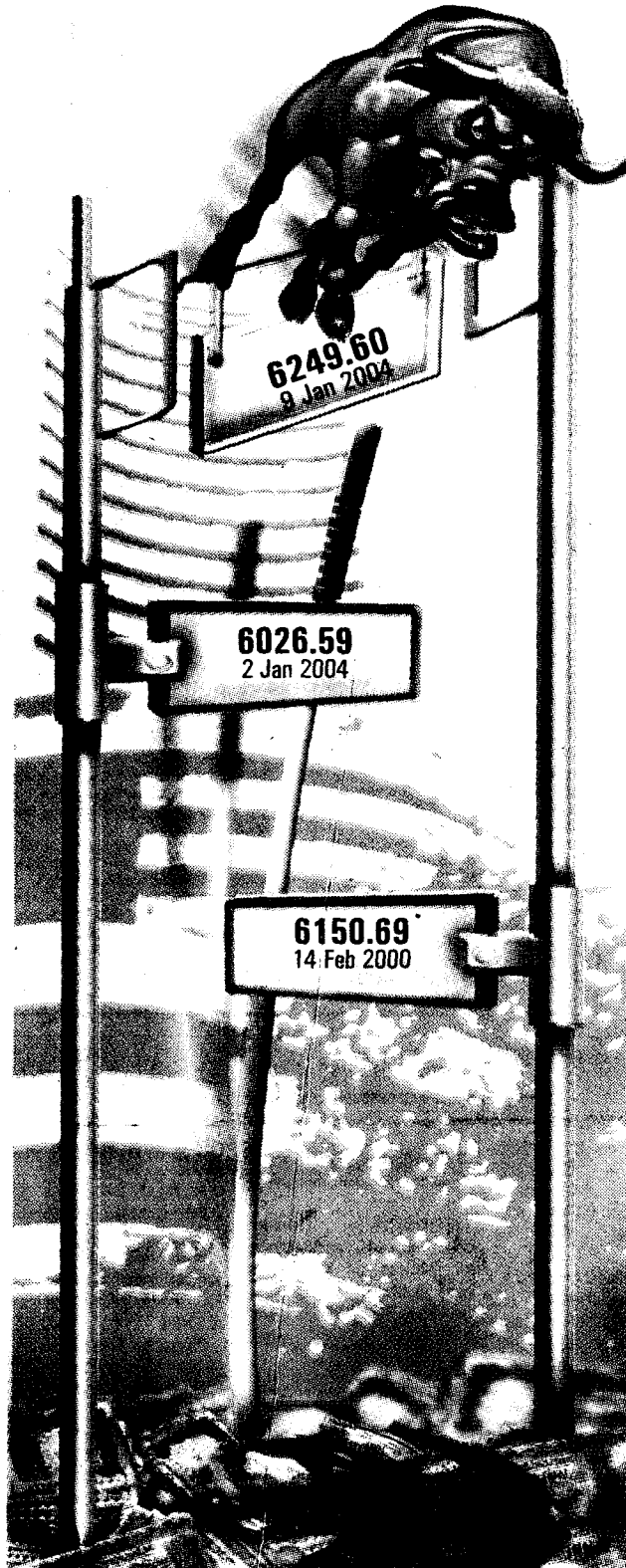
Ever since the state government's efforts to open up JEE (engineer-

ing) to outstation students fell through following an HRD ministry's order that all surplus seats should be filled up with students who've cleared AIEEE, the higher education department was looking for a compromise solution. They've finally decided to allow private colleges within and outside the city to reserve 5 per cent and 15 per cent of their seats, respectively, for outsta-

tion students. But the outstation students will have to clear the AIEEE.

In the city's 15 private engineering colleges, 194 of the 3,870 seats will be reserved for outstation students. Another 802 seats will be reserved in the 20 private colleges outside Kolkata.

Higher education secretary Mr Jawhar Sircar said: "The trend of our students leaving the state for higher studies will be reversed." — SNS



Graphic: ARINDAM MAZUMDER

MUMBAI, Jan. 9. — The Sensitive Index of Stock Exchange, Mumbai, created a record today as it opened about 102 points up, at an all-time high of 6,211.06 (against yesterday's close of 6,108.54), and reached a peak of 6,249.60 during early trading. But across-the-board sell-off by domestic financial institutions wiped out majority of the gains in the later part of the day and forced the 30-scrip index to close at 11705 points or 0.18 per cent up, at 6,119.59.

The slide set in under the pressure of profit booking — mainly on account of buying in Tata Power, BSES, SBI and Grasim shares. On 14 February 2000, when "Big Bull" Ketan Parekh was calling the shots, the Sensex had reached the 6,150.69-mark.

Most brokers and investors at Dalal Street were dismayed at the turn of events as the trading progressed today. The expectations raised by the better-than-expected third quarter results of Infosys Technologies, coupled with the sops announced yesterday by the Centre, failed to stop the downward turn of the Sensex. Market sources said the new high of 6,249.60 was achieved in response to the sweeping tax cuts, but stocks later reeled under pressure of basket selling, reportedly by UTI, which pulled the Sensex down to end at 6,119.59.

Despite Infosys's significant results, the stock value has shrunk. So has been the case with Satyam. The prime gainers of the day were BSES, at Rs 572.70 (+7.39 per cent); Grasim, at Rs 1,164.30 (+4.07 per cent); and SBI, at Rs 640.40 (+3.01 per cent). SBI was the most-traded share with the highest turnover of Rs 295.45 crore, followed by RIL (Rs 278.69 crore), Satyam Computers (Rs 234.98 crore), Infosys Tech (Rs 216.64 crore) and Tisco (Rs 199.71 crore).

With an eye on early Lok Sabha polls, the government had notified a "mini-budget" yesterday, providing incentives to both individuals as well as corporates, and setting the mood for continuing with reforms. Investors were taken by surprise by the government's move to rationalise the tax regime which would help reactivate the economy in a major way. The elimination of 4 per cent special additional duty is expected to be a big boost to the economy too, market sources said. But the initial euphoria that was expected to stay on during the session, suddenly petered out due to the UTI's heavy sell-off.

The market is still bullish and is being driven consistently by sustained FII inflows, strong corporate and economic fundamentals, and encouraging GDP growth, followed by Securities and Exchange Board of India's (Sebi) decision to allow margin trading, something long awaited by stock brokers.

While the Sebi decision is expected to have a long-term impact, the unexpected announcement of tax cuts enthused investors and set off a buying spree during the morning trading today.