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THE HINDUSTAN TIMES

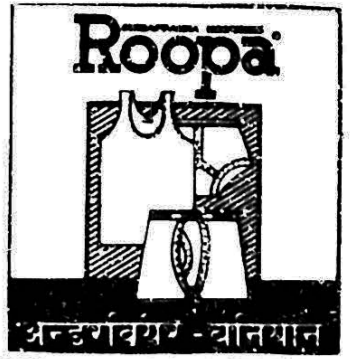
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INSIDE

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The budget they want — page 3

STATES
People in Meham were terrorised, says Ajit — page 9

Budget issues

The Finance Minister is presenting the Union Budget to Parliament on March 19. We are beginning today a series of articles by eminent economists on several issues connected with the Budget. On Edit Page appears the first of the series of articles — "Tax on Minimum Profits" — by D. H. Pai Panaidiker. — EDITOR

Weather

OUTLOOK: Mainly clear sky. Strong surface winds likely during day-time. Not much change in day and night temperature.
Max Temp: 27.3 degree C (—3)
Min Temp: 13.6 degree C (—1)

Today in Parliament

LOK SABHA: Criminal Procedure Code (Amendment Bill); Commission of Enquiry (Amendment) Bill; and Criminal Law (Amendment) Bill
RAJYA SABHA: Constitution Schedules Caste (Amendment) Bill

HERE AND NOW

Sudhir Tailang



All those shouting MPs are out of the frame! At least Doordarshan cares for the dignity of the House!

Rajiv asks VP for action on J&K plan

HT Correspondent

NEW DELHI, March 12 — Urgent and complete action on the proposal, jointly agreed upon in the recent all-party meeting on Kashmir, is essential to lend credibility to the initiatives being taken by "all of us jointly," Congress-I president Rajiv Gandhi has told Prime Minister V. P. Singh in a letter today.

Mr Gandhi's two-page letter was released by the All India Congress Committee-I. Its one paragraph was, however, withheld from the Press.

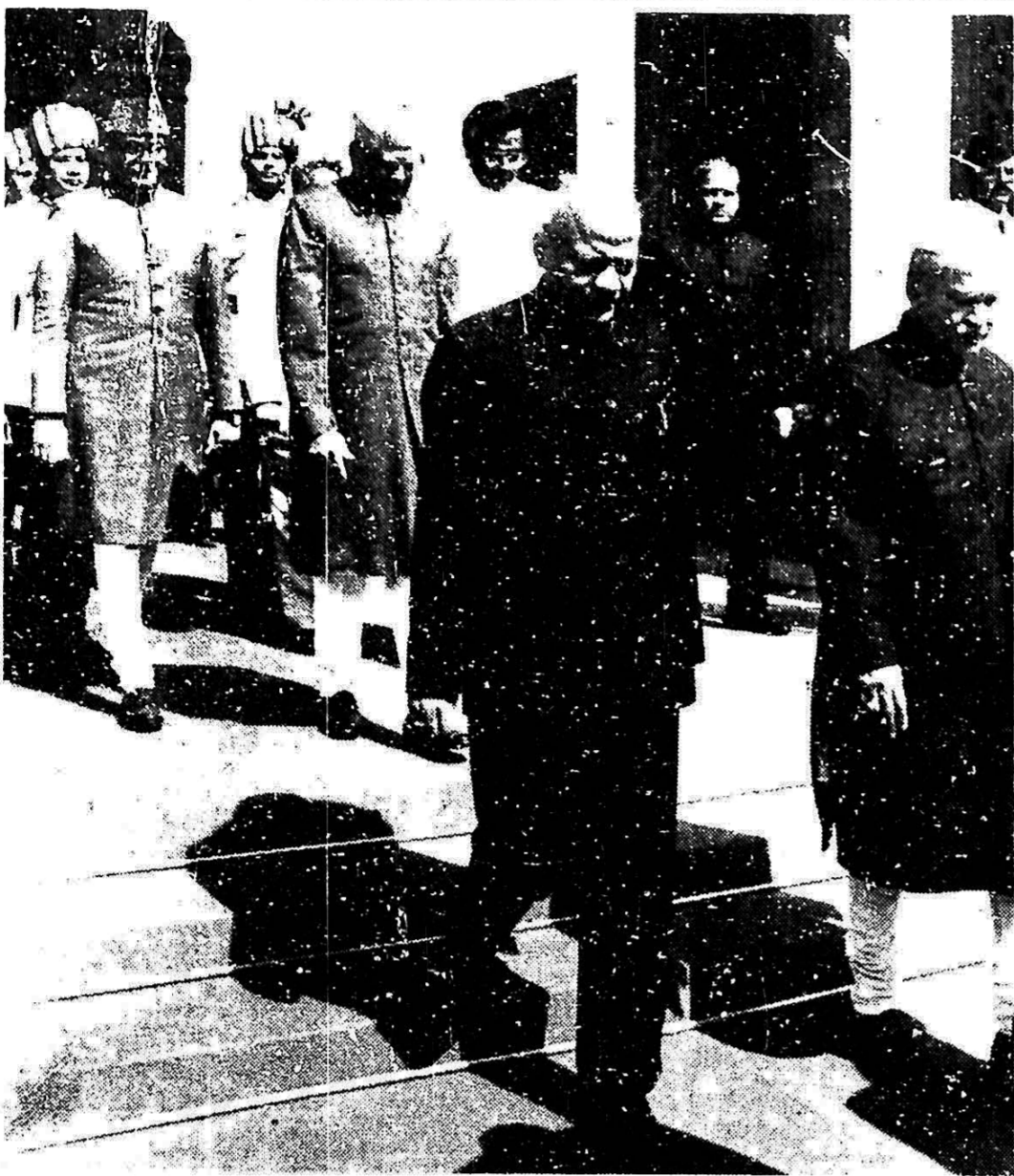
Putting on record his appreciation of the Prime Minister's efforts to evolve a national consensus on the grave challenge facing the nation in Kashmir, Mr Gandhi has demanded an urgent action on the initiatives taken by the all-party meeting.

Mr Gandhi said that the "operative significance" of the joint statement adopted by all of them last Saturday lay almost entirely in the last paragraph which recommended to the Government the appointment of a Cabinet Minister for Jammu and Kashmir Affairs, who would associate with his work an Advisory Committee, including representatives of all the political parties present at the meeting. This paragraph also specified that the primary function of the Cabinet Minister and the Advisory Committee would be to ensure the revival of political activity in the Valley, as well as the mobilisation of the people and their involvement in the fight against secession.

It has also specified that the Advisory Committee would consider means of establishing a suitable mechanism in Kashmir to deal with the problems and grievances of the people.

"All these steps would, we were agreed, contribute to undoing the damage done and bring some hope of improvement in the grim situation prevailing in the Valley," he pointed out, "and we were, therefore, more than a little disturbed to find that the official media failed to report this crucial paragraph in the news on Saturday night."

He further said, "You would recall that I had stressed the need for the inclusion of operative significant measures in the joint statement so that the people of the Valley are signalled that, in consequence of the visit of the all-party delegation to Srinagar, concrete measures are being taken to revive the political process and look into the genuine problems and grievances of the people. By failing to recount this paragraph, explicitly and in detail, on the electronic media, the people of the Valley were deprived of a full and accurate account of the proceedings of the all-party meeting. The following morning almost all newspapers led with this paragraph. But this did not help reach the information to the people of the Valley because, as you are doubtless aware, newspapers from the rest of India are not reaching



President R. Venkataraman, Vice-President S. D. Sharma, Prime Minister V. P. Singh with Lok Sabha Speaker Rabi Ray going in a procession on the opening day of the Budget session on Monday. — HT photo by S. N. Sinha

Bid on Jagmohan foiled

JAMMU, March 12 (UNI, PTI) — The security forces have foiled a plan to assassinate Governor Jagmohan from different parts of the Valley.

The conspiracy was reportedly hatched by militant organisations based in Pakistan Occupied Kashmir, according to highly placed intelligence sources.

The sources said some letters seized from the arrested militants revealed their plan. The militant organisations considered Mr Jagmohan as a major "hurdle" in their goal of attaining "independent Kashmir."

The sources said some letters seized from the arrested militants revealed their plan. The militant organisations considered Mr Jagmohan as a major "hurdle" in their goal of attaining "independent Kashmir."

During a 14-hour operation in the past one week security forces nabbed over 120 militants from different parts of the Kashmir Valley including seven top hardcore subversives.

The incriminating letters were written by some underground leaders in Kashmir Valley to remain closed till March 31. These institutions were scheduled to open on March 15.

Security agencies in the Jammu region have been put on alert following the arrest of two JKLF activists at Gita Bhawan in the last two days amidst reports that some militants have

sneaked into the region to create trouble.

Patrolling has been intensified throughout the region, especially near the camps where militants have been provided shelter.

Meanwhile, tension prevailed in the Valley following the recovery of two bodies of Muezzins of mosques in the Pulwama District.

Preliminary inquiry revealed the Muezzins (who perform Azan) were killed by "Hizbe Ullah Mujahideen" activists, for being "agents" of the Intelligence Department.

Thousands of people belonging to different communities today took out a silent procession here to express solidarity with Jammu and Kashmir Governor Jagmohan and the Union Government in their fight against secessionism in the Kashmir Valley.

The procession passed through the main bazaar of the city before handing over a memorandum to Chief Secretary R. K. Takkar.

The people carried placards saying "Liberate Pakistan Occupied Kashmir".

No untoward incident was reported from Srinagar or other parts of the Valley, an official spokesman said here.

Authorities withdrew curfew relaxation in Srinagar as a precautionary measure following the death of a militant in hospital.

The militant, Fayaz Ahmed, a self styled group captain of "JKLF" was arrested yesterday at Habakadal after he was injured in cross firing between two militant groups and security forces, the spokesman said.

Meanwhile, the official spokesman said a 14-hour relaxation in curfew has been given in Kashmir from 7 p.m. today in view of Shah-i-Barat festival of the Muslims.

Government has ordered all educational institutions including colleges in Kashmir Valley to remain closed till March 31. These institutions were scheduled to open on March 15.

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Keep off Kashmir, President warns external forces

HT Correspondent

NEW DELHI, March 12 — President R. Venkataraman today reaffirmed the National Front Government's resolve to "brook no interference" from any quarter in Kashmir and act firmly against the "external forces" that have sought to encourage terrorism, internationalise the Kashmir issue and organise intrusions from across the border.

In his address to Parliament marking the beginning of the Budget Session, Mr Venkataraman also assured the nation of the complete defence preparedness of the Armed Forces and their high morale.

He said the Government will take positive steps to remove all legitimate grievances and to accelerate the pace of development in Jammu and Kashmir. But it will also take every possible

• President's address

— See Edit

measure to curb terrorism and secessionism and to restore normalcy in the Valley.

The curfews to Pakistan in the context of Kashmir, where the situation continues to be serious, and in Punjab, was coupled with an appeal to the neighbour to abide by the letter and spirit of the Simla Agreement, which has so far helped to maintain peace and provide an enduring framework for the Indo-Pak relations. "We hope such saner counsel will prevail in Pakistan..." the President said.

In his 35-minute address in the Central Hall of Parliament, the President outlined the Government's course of action in a number of fields, stating that in the 100 odd days that the National Front Government had been in office, a number of measures had already been taken to fulfil the pledges made to the people at the time of the elections.

He noted the "fresh hope in the atmosphere", as the Government had embarked upon building a country "based on dignity of the individual".

The benefits of development should flow to all, especially the poorest.

He noted that the task was not easy. "The challenges are tremendous" but concluded a resolute note of "we shall overcome."

He repeated the Government's resolve to tackle the Punjab problem "in a spirit of reconciliation and consensus." But there would be no compromise with terrorism and secessionism, he added.

He pointed out that the Government had already fulfilled its promise of repealing the 59th Amendment to

the Constitution which contained special provisions for promulgating emergency applicable only to Punjab. Efforts were now directed at seeking cooperation of all and to create conditions conducive to the restoration of democratic processes in Punjab.

The Government was proud of the secular basis of the nationhood and was closely watching the communal situation. A three member committee was looked into the ways of resolving "an emotive issue" like the Ram Janambhoomi-Babri Masjid dispute, through dialogue and consensus.

On the economic front, Mr Venkataraman said holding the price line was the "first priority" of the Government whose efforts had already shown a declining trend in the case of some of the essential commodities like rice, tea and sugar.

However, he said the Government was fully aware that the overall price situation continues to be difficult.

There was the problem of reducing the budgetary deficit, which had touched Rs 13,790 crore. The fiscal imbalances also needed to be tackled by "improving the management of the economy". A good monsoon, a good crop, a rising trend of exports that has surpassed the imports, combined with efficient import substitution would help ease the economic problem, he said.

A new three-year import-export policy, now being readied, would be introduced next month, and would simplify cumbersome procedures that

have caused the entrepreneurs delay and breed corruption, the President told the Members.

The Inter-State Council will tackle the fiscal issues relating to the Centre-State relations, while the reconstituted Planning Commission was already working on the Eighth Five Year Plan. The Plan's objective would be employment generation, alleviation of poverty, redressal of rural-urban imbalances and introduction of structural and institutional changes to ensure decentralisation of the planning process.

Mr Venkataraman said the formula for computing costs and prices of agricultural produce was being changed to ensure "full accounting" of all costs, and would be reflected in the support prices to be announced for the next kharif season.

On the industrial front, he said a White Paper on public sector would be issued later this year. The Government attached great importance to public sector and was keen to ensure its functional autonomy.

The industry should gear itself to provide more productive employment and a balance in regional development of the country. Through technological modernisation, the industry would be made more competitive internationally.

The President was happy about the contribution of scientists in various fields and said science and technology must go to attain self-reliance.

(Text on page 12)

All-party panel on Kashmir formed

HT Correspondent

NEW DELHI, March 12 — Prime Minister V. P. Singh today entrusted Railway Minister George Fernandes with the additional charge of Kashmir affairs and constituted a six-member committee to assist him in initiating steps to restore normalcy in the Valley.

The committee, representing major political parties, consists Mr Surendra Mohan of National Front, Mr Ghulam Rasool Kar of Congress-I, Mr Kedar Nath Sahani of BJP, Mr. Fotooqui of CPI, Mr Saifuddin Chowdhary of CPI-M and Mr P. L. Handoo of National Conference.

The advisory committee had its first meeting at Parliament House this evening. It lasted for about two hours. Mr Surendra Mohan and Mr Kar could not attend today's meeting. The committee would meet again tomorrow.

As for the role of J&K Governor Jagmohan, Mr Fernandes said he was

primary task would be to bring about the revival of political activity in the Valley so that the political process could be set in motion at the earliest. He described the situation in the Valley as extraordinary and said: "We are trying to solve it in an unconventional way."

Mr Fernandes said he would be interacting with the various political groups. He would have meetings with the Prime Minister and the Home Minister on the issue. Replying to a query, he said Home Minister Mufti Mohammad Sayeed would be answering questions on Kashmir in Parliament.

Mr Fernandes, who is expected to visit Srinagar after presenting the Railway Budget on Wednesday, said the six-member committee would monitor the situation in the Valley and help in finding solutions to the current problems.

As for the role of J&K Governor Jagmohan, Mr Fernandes said he was

Continued on back page col 2

Lithuania declares independence

MOSCOW, March 12 (PTI)

Lithuania has proclaimed itself independent, dropped the words "Soviet socialist" from its name and boycotted the national Parliament raising the spectre of break up of the Soviet Union.

The decision, taken yesterday by the republic's new non-Communist dominated Parliament was described as alarming by Soviet leader Mikhail Gorbachev in his opening remarks to the Congress of People's Deputies which began an extraordinary session in the Kremlin this morning.

The deputies belonging to the pro-independence Sajudis movement stayed away from the session and Mr Gorbachev noted that the republic had failed to send a representative to the Presidium of the Congress.

The Lithuanian Parliament elected a non-Communist Mr Vitautas Land

bergis, as the republic's new President and ruled that the Soviet Constitution and laws would not be applicable on the Lithuanian territory.

It did away with the "hammer and



sickle emblem and adopted "white knight on a horse against red back drop" as the new emblem. A pro-

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Darbara cremated

HT Correspondent

NEW DELHI, March 12 — The body of veteran Congress leader Darbara Singh, who died last night, was cremated at the Nigambodhi Ghat today with full State honours.

Many senior Congress-I leaders, including party president Rajiv Gandhi, were present during the cremation.

Jawans of Delhi Police gave a gun salute as the pyre was lit by Mr Darbara Singh's eldest son, Mr Joginder Singh. Mr Darbara Singh's two other sons, Mr Surjeet Singh and Mr Devender Singh, and his daughter, Ms Surinder Kaur, were also present. The policemen dipped their guns when the body was put on the pyre. Religious hymns were sung.

Top Congress-I leaders, who attended the cremation were

Continued on page 12 col 4

Engine 'failure' led to Bangalore crash

NEW DELHI, March 12

Engine failure was the likely cause of crash involving Airbus 320 plane at Bangalore on Feb. 14 and not pilot's error as maintained by the French. This indication was given here today by the Aviation Ministry after examination of the findings based on the reading of cockpit voice recorder and digital voice recorder.

The crash in which 93 lives were lost, led to grounding of 14 planes with IA. The Ministry had appointed a technical committee led by Air Marshal Ramdas to report about the state of preparedness on the part of Indian Airlines to induct this sophisticated plane into service. According to Ministry sources, the decision about flying these planes will be taken only after it had been established beyond doubt that plane was airworthy.

According to Ministry sources which had sent the digital recorder to

Canada for decoding, the Airbus Industries was given a copy of the voice recorder and digital recorder findings to enable them to make any improvements if necessary in the plane to overcome the snags which may have been brought out in the light of these findings. But the Airbus Industries used the same to reach a conclusion that the crash was the result of the "pilot error".

The Ministry obviously does not agree with this finding and feels that they should have waited for the findings of the court of inquiry before coming to any conclusion. It may be pointed out that the same haste had been shown by the French with regard to crash in France when a plane was a

Continued on back page col 4

Ninth Finance Commission report

Accepted in toto; fair deal to States

HT Correspondent

NEW DELHI, March 12

The Government today announced its decision to accept all the major recommendations made by the Ninth Finance Commission in its second report covering the five-year period from April 1, 1990 to March 31, 1995 which will bring substantial benefits to the States during the Eighth Five Year Plan period, especially in relation to debt relief.

Presenting in Parliament the executive memorandum on the action taken on the NEC recommendations along with the second report, Finance Minister Madhu Dandavata said the Government had accepted the NEC recommendations regarding shares of central tax and of the like income tax union duties of excise additional duties of excise in lieu of sales tax and grants in lieu of cess on railway passenger fares.

On excise duties, the NEC has recommended that the divisible pool of union duties of excise should include the proceeds of all excise duties including special excise duties but excluding duties collected under the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978 and the earmarked cases and the States share in the net proceeds of shareable Union Excise duties shall be 45 per cent.

As regards the financing of relief expenditure, the NEC has recommended that the existing arrangements should be replaced by a new one and that the States will have much greater autonomy and accountability. A Calamity Relief Fund should be constituted for each State with the specified amount in each year. Rs 800 crore for all the States in total and the Centre will contribute to the CRI of each State to the extent of 75 per cent in the form of non-plan grant. The balance 25 per cent shall be contributed by each State out of its own resources and the contribution to the

Fund will be made by the Government in quarterly instalments.

Further, the Government of India will constitute an expert group to monitor relief work done in States utilising CRI and also to give such advice as it deems appropriate to the State agencies involved in relief work. The Centre will also contribute 75 per cent of the relief expenditure of Rs 103 crore on relief and rehabilitation of gas victims in Bhopal during 1989-95 by way of non-plan grant. The balance 25 per cent will be borne by the Madhya Pradesh Government.

Also this CRI would have existence outside the general revenues of the State and will be deposited in a nationalised bank. A State level committee headed by the Chief Secretary of the State and consisting of officials connected with the relief work and other experts shall be constituted by the State Government to administer the CRI. The NEC has also advised that the present level of provision for centrally sponsored schemes is too high

and efforts should be made to reduce gradually the proportion of this type of expenditure and add the savings to the amount of central assistance for State and Union Territory plans.

On debt relief, the NEC has recommended that the RBI may work out a formula for amortisation of the States market borrowings and from 1990-91, the direct Central loans for State plans should have a maturity period of 20 years with 50 per cent of the loans enjoying a grace period of 5 years. Also, the entire external assistance received for externally aided projects should in all cases be passed on to the States implementing those projects. So part of such funds received exclusively for such projects should be withheld by the Centre.

Further, the loan and grant portion of World Bank assistance to be passed on to the States should also be in the ratio of 70:30 in the case of the general plan assistance. However,

Continued on page 17

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