MARGOLIS



Spy scandal shocks India

ndia has just disproven the adage that bad news comes in threes. First there was the uprising in Punjab; then the murder of Indira Gandhi; then the Bhopal disaster.

Now for shock number four. As Indians watch with mounting shock and fascination, the worst spy scandal in the nation's listory is rapidly unfolding. Almost daily revelations are shaking India's government, security services and self-esteem.

The drama began on Jan. 18, when new Prime Minister Rajiv Gandhi reluctantly revealed the existence of a "major espionage ring" within the federal government. Efforts by the government to contain the story failed as the feisty Indian press quickly took up the story

Eleven government officials and three businessmen were arrested. Among the officials were a deputy secretary and two aides in the office of Gandhi's principal secretary, P.C. Alexander — who also subsequently resigned.

Intense speculation over which foreign nation was involved ended when it was announced that the deputy military attache of France had been declared persona non grata and that two other French businessmen had fled the country rather than face arrest on spying charges.

in spite of sharp French denials of covert activities, India went to expel the French ambassador, a highly unusual act between friendly nations. New Delhi became deluged in spy mass involving the CIA, KGB, British MI6, Pakistan, East Europe and West Germany.

Then came revelations by an influential businessman, Coomar Marain. He had been managing a spy ring for the past 25 years that supplied a number of foreign embassies in New Delhi with secret data on India's defences and foreign affairs.

It seems that this ring - and others recently uncowered - were funnelling information to intelligence agents of France, Poland, East Germany and probably the U.S.

To the deep embarrassment of the Indians, much of the inforwas paid for by a few bottles of scotch, watches the services of "dancing girls." In almost all cases, India's secrets were available for a pittance.

A good part of this spying activity was the result of India's arms buildup. In recent years, India has embarked on a wast program to completely re-equip its million-man armed forces with the latest, high-tech air, land and naval weapons. Some systems were imported and the rest built under licence in India's arms factories. The total dollar amount of these arms purchases ran into the billions of dollars.



RAJIV GANDHI Uncomfortable position

For France, Britain, Sweden, Italy and West Germany - all major arms exporters whose weapons were under evaluation by India - obtaining inside information on government procurement plans was as important as knowing where to spread baksheesh. The French, who are particularly aggressive arms salesmen, apparently took the lead in penetrating the Indian government. Business, not spying, was the real goal of the French. The U.S. was without doubt

interested in gaining data on Soviet weapons supplied to India. Among them are the new T-80 tank, the MiG-29 fighter and brand new naval equipment never before seen outside of Russia. Pakistan, also implicated in the spy ring, has a very evident interest in the question: Against whom was

this huge Indian arsenal aimed? Now, a Soviet diplomat has been reportedly ordered out of India. The KGB is known to have extensively infiltrated key sectors of the Indian government and armed forces. It also makes frequent use of Polish and East German intelligence for specialized industrial espionage around the world - and was likely doing the same in India.

Poland's involvement comes at a particularly embarrassing time. Its leader, Gen. Wojciech Jaruzelski, is due to pay a state visit to India next month, as part of his efforts to gain international recognition for Poland's military regime. The Indian invitation may well be withdrawn.

This unfolding mess places Gandhi in a particularly uncomfortable position. The spy plot is yet another indication of endemic, widespread corruption within the Indian government. New evidence of bribe-taking will shortly surface as recent foreign arms contracts are investigated. Scores more businessmen and officials are said to be implicated.

Relations with the West will be hurt just at a time when Gandhi may be seeking to alter his late mother's tacit strategic alliance with Moscow. If more evidence of Pakistani and U.S. spy activities emerges, efforts to improve relations with Washington and Rawalpindi may founder - to the delight of militant Hindus.

How much Russia will be embarrassed remains to be seen. It will likely disavow the activities of its Polish and East German minions and begin a disinformation campaign in India, using false documents to further implicate the CIA in the unfolding spy scandal.

The strong aftershocks of the scandal will continue to cause trouble for East, West and Indians alike.

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