

Lonrho's shadow over Indian politics

by Ramtanu Maitra and Susan B. Maitra

According to a recent news item in the Delhi-based *Sunday Mail*, the Indian Finance Ministry is considering a further probe into the alleged financial wrongdoings of Ajeya Singh, son of former Prime Minister V.P. Singh. What makes the news intriguing is the information that Ajeya Singh, who was employed by Citibank in the U.S. until his father became a serious contender for the prime ministry, has acquired 1,000-odd shares in the Lonrho Corp., among other financial assets.

The connection to Roland "Tiny" Rowland's Lonrho Corp. brings to the fore a whole range of unsavory international wheel-dealers. The probe into Ajeya Singh's financial assets, commonly known in New Delhi as the "St. Kitts affair," began more than 18 months ago when Rajiv Gandhi was still in power, but soon got mired in the ebbs and tides of local politics.

It was earlier alleged that Ajeya Singh held an account in the First Trust Corporation Bank in the island of St. Kitts in the Caribbean, to the tune of \$20 million—an unseemly amount for a bank officer. Although no official charge was leveled against the Ajeya Singh, hints and allegations were made through the media of financial wrongdoings.

Later investigations launched by the Central Bureau of Intelligence (CBI) were heavily tinged with political overtones. The initial allegations, it was found, were prompted by forged documents and a ham-handed approach by some government officials. At least two journalists, several Indian Foreign Service officials, and even a very high-level Congress (I) politician, were accused of attempting to defame V.P. Singh, then the leading opposition figure challenging the Congress (I) party.

According to the *Sunday Mail*, the CBI had let the case sink—an almost regular thing to do when the alleged perpetrator is the prime minister's son. But it was not dropped altogether. The Finance Ministry, looking into any possible violation of the Foreign Exchange Regulatory Act (FERA), found the size of Ajeya Singh's bank account in London and 1,080 Lonrho shares worthy of investigation. This, in turn, has raised the question of the role of Rowland, himself involved in the St. Kitts affair and Indian politics more broadly.

Lonrho, founded in 1908 as the London and Rhodesia Mining Company, has been headed by Rowland since 1961 (see *EIR*, Nov. 3, Nov. 10, Nov. 24, and Dec. 8, 1989, and March 9, 1990). The company is heavily involved in Africa, particularly in Namibia and South Africa. Tiny Rowland is reportedly a personal friend of SWAPO leader Sam Nujoma.

But Rowland's posture as the savior of black Africa while being deeply involved in the South African state arms company, Armsco, does not wash well in Africa any longer.

In 1976, two inspectors appointed by the British government's Department of Trade and Industry filed a 1,000-page report on the affairs of Lonrho. The report is a long indictment of the fraud, bribery, larceny, sanctions busting, and corruption which epitomized Lonrho's activities ever since Rowland took over. The report concluded: "The offenses which the present report reveals are not merely technical offenses: The majority of them are offenses in which the essence is improper concealment of information from shareholders of a public company for the purpose of private enrichment." Among those the report cited as "persons who may well have committed criminal offenses" are Rowland and Lord Duncan-Sandys, the son-in-law of Winston Churchill.

Rowland, who owns and uses the London-based newspaper *The Observer* to attack those whom he considers his enemies, should not be totally unknown in India. But, so far, Indian media have only reported about his aborted attempt to buy the Harrods of London and his link to the jet-setter from Bihar, Chandraswamy. Rowland was born of German parents in a British internment camp in India as Roland Walter Fuhrhop. In 1933, he joined the Hitler Youth. One year later, he went to Britain to a public school, and in 1939, changed his name to Roland Rowland. After the war he became an asset of the section of British intelligence that works closely with the Soviets.

Rowland's high-level ties

It is widely known in India—although not much heed has been paid to it—that Rowland has friends at high levels. One is Romash Bhandari, former foreign secretary and former ambassador to Iraq. Bhandari, whose family allegedly was a beneficiary of the British rulers, invited Rowland to attend his son's wedding several years ago. Bhandari is now a not-so-prominent Congress (I) leader who had been the lieutenant governor of Delhi.

The second notable friend of Rowland is Chandraswamy. Involved in umpteen affairs, including that of the infamous Pamela Bordes case and the Ram Janambhoomi-Babri Masjid fiasco, the colorful Chandraswamy has also been named in the St. Kitts affair—not for accumulating dollars in an offshore bank, but for circulating the story that Ajeya Singh held an account worth \$20 million in St. Kitts. Later, Chandraswamy was accused of forging documents to put Ajeya Singh in a bad light, ostensibly to help the Congress (I) party politically. His aide, K.N. Aggarwal, was arrested by the Enforcement Directorate apparently for his direct involvement in the forgery.

Among others often cited as Chandraswamy's friends are the international gun-runner from Saudi Arabia, Adnan Khashoggi, who is under indictment in New York; and the Sultan of Brunei, ostensibly a benefactor of Chandraswamy.