

Three Opposition Leaders in India Deny They Got U.S. Funds

By JOSEPH LELYVELD
Special to The New York Times

NEW DELHI, June 15 — The leaders of three Opposition parties vehemently denied today that they had received money from the United States before last February's election.

They were reacting in Parliament to a report that an official inquiry had concluded that American funds had gone to right-wing parties and candidates during the campaign and that Communist governments had given money to left-wing parties here.

The report, citing high Government sources, appeared in The New York Times June 13.

The allegations that United States funds have been improperly used have been consistently denied by the American Embassy. In a recent issue of the American Reporter, a publication of the United States Information Service here, Ambassador Chester Bowles wrote: "These charges are utterly false, and the Communist newspapers which print them week after week know they are false."

Mr. Bowles is in the United States on home leave. An Embassy spokesman said that no American funds had ever been spent in support of Indian political parties.

The Opposition leaders almost all contended that the official inquiry's conclusions had been made known as a political tactic to embarrass them. The only fair thing to do now, they in-

sisted, is to appoint an impartial commission of inquiry.

Home Minister Y. B. Chavan rejected that demand. He acknowledged that he had received an official report on foreign interference in the election, but said he would not be able to place the report or its specific conclusions before Parliament.

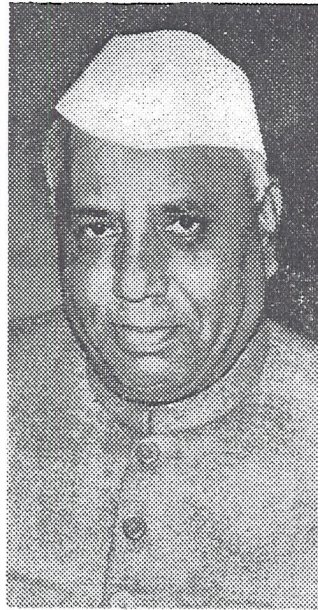
Faced with demands that he find the Government sources who "leaked" the report's contents, the Minister said, "I find it cannot be a leakage because if it had been a leakage it would have been accurate." He said the dispatch in The Times was "based on conjectures rather than facts."

The three parties said to have been named in the inquiry as recipients of American funds were the Swatantra, Jan Sangh and Praja Socialist parties. Individual members of the governing Congress party were also alleged to have been backed by American money.

Minoo R. Masani, the Swatantra leader, described the allegations against his party as "totally false." He demanded that Mr. Chavan publish the report he had received from the Central Bureau of Intelligence and that there then be an independent inquiry.

"Light should be shed on dark corners," he said. "We should not leave the foreigners with the impression that ours is some backward republic whose politicians could be bought over."

Baraj Madhok, the Jan Sangh



Keystone

Home Minister Y. B. Chavan

leader, supported the demand for an inquiry and denounced "those who spread false allegations that smear the nation and the country."

S. N. Dwivedi, the Praja Socialist leader, said "our party has no truck with any foreign power." He called The New York Times report "a slander against the nation" and demanded that the correspondent

be asked to identify his sources.

The tone of the debate was set by Neelam Sanjiva Reddy, the speaker of the Lok Sabha, or lower house, who said:

"Let us clear the honor of this country during the discussion. Nobody is interested in foreign money for elections. We are not interested either in Russian or Central Intelligence Agency money."

Rajendra Barua, a Congress party member, declared:

"The allegation that C.I.A. money was given to some political parties during the election was not denied by the Government. If it is true, it is clearly a sabotage by political powers to subvert our democracy."

Another Congress member, Sharada Mjkerjee, said: "Why should we get excited by a mere report in The New York Times? These things have probably gone on for the past so many years."

A right Communist, Hiren Mukherjee, said he was sure that the Communist governments had given no funds to parties here but he was less sure about the United States.

The left-wing press has persistently published sweeping allegations of the use of the massive rupee holdings of the United States for "political purposes."

As a result of sales of food grains under Public Law 480 in the last 10 years, the United States has accumulated about \$800-million of Indian currency.

Public Law 480 was renamed the Food for Peace Act last year and extended through 1967 and 1968. It makes available \$7.4-billion during the two years to finance sales of agricultural commodities for local currency or for dollars on easy credit terms as well as food donations for economic development and disaster relief.

The Indian inquiry into alleged foreign meddling in the election was ordered last March when there was a good deal of excitement here about the C.I.A. as a result of articles in the American press that told of the channeling of funds from the agency to Indian organizations.

The excitement was heightened by the appearance of Svetlana Alliluyeva, Stalin's daughter at the American Em-