

# A MURDER IN STOCKHOLM



The assassination of Olof Palme remains a mystery in the backdrop of the Bofors scam. Hardnews explores the hidden dimensions of this murder, from Sweden to India

By Gautam Pingle, Hyderabad

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**The Swedes have** a tradition of open government. In the Bofors case, though, to the distress of many Swedes, there was a cover-up by government circles. This was largely on account of the involvement of the Swedish prime minister and world statesman, Olof Palme.

Arun Singh, former minister of state for defence in the Indian government and principal actor in this drama, put it neatly in his interview on *NDTV*: “It was through a story breaking out in Sweden. I was sure that no Swedish individual was involved in the affair. The Sweden story impacted on the politics there and the standards there — both of morality, rule of law and accountability (which) are unimpeachable and different from ours — that made me convinced.”

As Sten Lindstrom says: “Like many Swedes of my generation my wife Eva and I were raised in the best traditions of social democracy. Swedes are a hard working people. Equity and justice for all is something we hold dear and for which we have strived as a nation. We built our institutions, our political and social systems, around principles that were gold standards. We led the world as much in business forums as in the social arena (SL2).”

He spoke for his fellow Swedish citizens when he said: “What was shocking in the whole Bofors-India saga was the scale of political involvement in Sweden, breaking all rules, including those we set for ourselves. Bofors was a wake up call for most Swedes who thought corruption happens only far away in Africa, South America and Asia. There was disbelief and hurt when they found that some of their top politicians, bureaucrats and businessmen were no better than others (SL2).”

**Background:** The Swedish prime minister, Olof Palme, had written to prime minister Indira Gandhi in 1983 supporting the Bofors offer to supply 155 mm howitzers (HW, p 45) and this was to be the basis for bringing the Swedish government in on the deal. Palme had also met R Venkataraman, then defence minister (later president of India), when he visited Sweden in November 1983 (HW, p 45). Already, in the summer of 1984, the Swedes had established that “*the final decision is in the hands of Indira Gandhi and her son Rajiv, who, both, have interests in the deal* (HW, p.47).” Rajiv Gandhi then held no official post; he was general secretary of the ruling Congress party.

The process for the supply of 155 mm field artillery had been on-going. Talks with the Swedes about their Bofors guns had already been initiated by VP Singh when he was finance minister in 1985 (HW, p.9). On June 10, 1985, VP Singh enquired from Palme the status of the criminal proceedings which had started in March 1985 against Bofors and Martin Ardbo for arms smuggling. So, the government of India knew they were dealing with a potential criminal. But, Palme told him that “Bofors could have been tricked” — thus defending Bofors.

The National Swedish Criminal Police had even postponed the interrogations of Martin Ardbo for three months so that he could head Bofors’ negotiations in New Delhi! The police had a perfect case, which resulted finally in a conviction in December 1989 (HW, p.11).

However, with the French Sofma gun leading the list in all six different technical assessments, Bofors did not stand a chance and the Swedes knew it. But, if anyone were willing to do anything to get the deal, it would obviously be the second best, Bofors — not the front-runner, Sofma.

**Indian High-Level Contact and Conditions:** The Swedes were dismayed that the assassination of Indira Gandhi on October 31, 1984, would delay the deal. Her son Rajiv Gandhi succeeded her and the Swedes waited for the contact to be made now that the Swedish interest was established at the very highest level. This approach materialized in New Delhi on April 19, 1985. The Swedish ambassador to India, Axel Edelstam, sent an urgent cable to Carl Johan Aberg. Aberg (earlier general secretary of the ruling Social Democratic Party) was now a political appointee as under secretary of trade in the ministry of foreign affairs. He was also Olof Palme’s point man for this deal.

Edelstam stated: “On Thursday I was summoned at short notice to the minister of power, Arun Nehru, the prime minister’s second cousin and close confidant. He declared that *he had been instructed by Rajiv Gandhi* to inform me that the Indian government was very interested in a deal with Sweden concerning 155 mm field howitzers... Furthermore, they were keen to obtain ammunition for the piece from the same supplier — that is, from Bofors (HW, p.217).”

There was a condition: “However, an *absolute* term was that negotiations would be held directly with Bofors and that the *company eliminated its local agent*, Win Chadha, Anatronic General Corporation, from the deal. The latter was most decidedly *persona non grata* in the defence ministry and it was in the *best interest of Bofors* to get rid of him *completely*. The cable further conveyed, ‘Nehru’s opinion was that *only the prime minister and he knew of our conversation* and that the greatest discretion should be observed (HW, p.217).”

This was clear enough. The main point was established that the approach was coming from Rajiv Gandhi. Second was the possibility of Bofors expanding the deal by including the ammunition for the howitzer (which Bofors had not bid for as it did not make it but would need a supplier if it did). Third, Chadha was totally unacceptable. Fourth, as only Nehru and Rajiv knew of this approach, any leakage would be attributed to the Swedes. Finally, as Westander put it: “This meant that *Rajiv Gandhi totally ignored the work of the negotiating committee*. And, in conflict with the recommendations from the Indian Army, Gandhi wanted to buy from Sweden (HW, p.47).”

Follow-up came on June 21, 1985, when Rolf Gaufinn, second man at the Swedish embassy, was summoned to Nehru at half an hour’s notice. Nehru seems to be peremptory in his summons to the Swedish diplomats!

Gaufinn’s long and detailed cable to Sweden is available (HW, pp.218-220). Gaufinn informed Nehru that Carl Johan Aberg would visit New Delhi soon to tie up government-to-government guarantees on uninterrupted supply *in case of war* but the commercial details should be discussed with Bofors, which was a private company.

However, Nehru had other things in mind. The cable put it succinctly: “(Nehru) began instead with sharp criticism against the way the Swedish side has handled the howitzer deal. In spite of pointing it out earlier, *Bofors continued to use Indian middlemen “who received commissions for their contact(sic, not ‘contract’) work.”* In New Delhi, the Indian government would not tolerate that Bofors continue with this activity and if this continued, then there would be no deal. The Indian side was aware of what was going on (HW, p.218).”

Then Nehru went on the attack. “As an example of the lack of discretion from the Swedish side in other contracts, Nehru referred to the fact that a discussion he had a while back with ambassador Edelstam had been leaked out and among other places been quoted in a business document concerning Indian Metal Ferro Alloy’s dealing with ElectroInvest. If further indiscretions of this kind occurred, it would be very difficult for India to negotiate with the Swedes. *An absolute condition for further discussions with Bofors and Swedish official representatives was that neither Rajiv Gandhi’s nor Arun Nehru’s names should be mentioned in connection with the coming meeting* (HW, pp.218-219).”

After this tirade, Nehru set the conditions for the meeting. First, “Bofors should send its ‘number one’ man down to New Delhi in the first week of July. The Bofors man should have ‘total authority’ to negotiate on all conditions. No experts will be required at this stage because technicalities would come later (HW, p.219).” Thus, only ‘commercial’ discussions were to be expected to be finalized.

The second condition: “*No reference should be made to Rajiv Gandhi or Arun Nehru.* When the Bofors negotiators will arrive, Nehru will inform me as to whom the negotiator should meet. No Indian representatives should be informed about developments (HW, p.219).” As we shall see later, while the old agent was to be kept in the dark, a new party would be introduced (in New Delhi itself!).

The third condition was critical. “After the visit of the Bofors negotiator, a suitable Swedish representative should, in accordance with finance minister (VP) Singh’s proposal, come to India to present the Swedish government’s undertaking. *‘The political aspect’ is crucial in this context.* To my question as to whether he wanted to elaborate as to what he meant by ‘political aspects’ he said that he meant *‘political understanding in the widest sense of the word.’* He stressed that if you reach *an agreement on the political level*, I am sure you will be able to agree on the rest (HW, p.219).”

The need to discuss this deal with VP Singh, who was finance minister, seems odd, but maybe it was due to his having initiated the discussions on the deal. But, more critical is the undefined “political understanding”.

Fourth, “if the outcomes of these two visits are positive, Bofors should send a ‘complete delegation’ to India to follow up the negotiations with the ministry of defence” (HW, p.219). Fifth, “Nehru would like to be regarded as the *eminence grise* in the howitzer deal. He indicated that he has *decisive* influence in the matter but would *remain in the wings*” (HW, p.219).

As Gaufinn reported finally, “in the end, the secretary in the foreign department, Romesh Bhandari, came into the room and *without comment he wished us good luck*” (HW, p.219).

So, the ministry of external affairs (MEA) was in the know but as a silent element and had nothing to say about the “political understanding”. Bhandari did not take part in defining the political understanding (if it was between the two countries, he would certainly have been involved). Perhaps, the explanation is that the meeting took place in Bhandari’s office in South Block in New Delhi (to cover Arun Nehru meeting with the Swedish diplomat) and it had nothing to do with bilateral political relations between Sweden and India “in the widest possible sense”.

**Ardbo meets Arun Nehru:**On July 3, 1985, Arun Nehru and Martin Ardbo, managing director of Bofors (January 1, 1982 to March 6, 1987), met in New Delhi. Gaufinn cabled a report after he met

Nehru on the meeting: "Nehru stated that the meeting of July 3 with the commercial representative responsible for the deal, Martin Ardbo, has been positive and 'one has spoken frankly'. Bofors can get the deal if it offers the lowest price, best product and best financial terms (sic) ... Nehru repeated that Bofors should not use a local representative *unless it is absolutely necessary* (sic)." Further, Nehru told Gaufinn, "I am not in the picture any longer. *I have done my part of the job*(HW, p.221)."

Now, for Bofors to win the deal by offering the "lowest price, best product and best financial terms" is saying nothing. That was the position Sofma was in but Bofors was not. So what was the clincher? And why was Nehru's job over and done so early when nothing was decided?

Again, the local representative role — trumpeted all over as unacceptable to government policy — was seemingly no longer the issue. The man, who was "most decidedly *persona non grata*" was acceptable — if he was absolutely necessary!

Gaufinn also reported what Ardbo told him. "Ardbo mentioned after the meeting with Nehru that he had gained the definite impression that Bofors could improve its position and have a realistic chance of winning the competition. On the question of representatives, he claimed that the Indian side was ready to *accept that Bofors use a local representative* under the condition that his *payment was very small* (HW, p.221)."

On August 3, 1985, exactly a month after this meeting with Nehru, Robert (Bob) Wilson of AE Services contacted Martin Ardbo. They signed an agreement on November 15, 1985, which concerned the Indian howitzer deal exclusively and promised to pay 3 per cent fee if, *and only if*, the deal was secured by Bofors by *April 1, 1986*. The agreement was signed by Ardbo against the normal procedure where the marketing director, Hans Ekblom, executed such documents — Ekblom was not even informed of this agreement (HW, pp. 64-65). Thus, the Indian representative was not shunted out (despite statements in India and Sweden), but another was brought in secretly — introduced by Nehru.

**Enter Rajiv Gandhi — Contacts Palme:** On August 10, 1985, Rajiv Gandhi proposed to Olof Palme that he receive ND Tiwari, the Indian industry minister, when the latter went to Stockholm. Rajiv Gandhi wrote, "We are anxious to strengthen our economic cooperation with Sweden (HW, p.49)." On September 25, 1985, Rajiv Gandhi also assumed the task of minister of defence with his boyhood friend Arun Singh positioned as minister of state for defence (Sukh Ram was the other minister of state). Nehru was made minister of state for internal security.

While he was flying over Sweden on October 15, 1985, Rajiv Gandhi telexed Olof Palme, "I greatly look forward to our meeting in New York next week (HW, p.49)." Palme cabled the summary of the discussion at that New York meeting of October 25 to Carl John Aberg (HW, p.222). Palme wrote: "I discussed the matter of Bofors guns with Rajiv Gandhi. He stated the following: *the Indian Army wanted the French howitzer*; on the whole, the army wanted the 'French bug'. *The Indian government wanted Bofors. For two reasons.* Firstly, *some scientific committee* had evaluated the guns and concluded that *Bofors was the best*. Secondly, the desire was to spread arms purchases. They had already had helicopters, *Airbus* (sic) and much more from France (HW, p.222)."

The only remaining obstacle was the price. "*Bofors was about 20 per cent more expensive* and this was more than could be justified by differences in quality. *He named some figure of 220 million*, if only Bofors could reduce the price *somewhat* — remove all middlemen and costs and *such like*(?) — the contract could be awarded to Bofors (HW, p.221)" (*The question mark is Palme's own.*)

"I asked him when a decision could be made. Gandhi replied that they were *willing to take a decision immediately*. He said he was willing to contact the embassy in Delhi. I said that perhaps we could send someone immediately from Sweden. That would be excellent, he replied. The conversation was straight, to the point and *lasted little over five minutes* (HW, p.221)."

In five minutes, Rajiv Gandhi spelled out the problem — army versus government on the selection. He told Palme a fictitious story about “some scientific committee”. He included the civilian Airbus passenger plane deal (again, controversial, with allegations of kickbacks taken by Rajiv Gandhi overriding the already agreed Boeing 757 deal) in the arms purchase category — as a trained pilot he should have known better. He said Bofors was 20 per cent more expensive while the documents put the figure at 6 per cent as of May 1985 (HW, p.54).

Rajiv mentioned a figure of 220 million without specifying the currency. If this were in Swedish kroner it would amount to less than 2 per cent of the bid value (Win Chadha’s commission of 2 per cent was known to the government as in the earlier procedure it had to pay Chadha directly). But, this did not make sense; if, as Rajiv claimed earlier, Bofors was 20 per cent above the French bid, a 2 per cent reduction would not help.

However, if it meant US\$220 million, then it would be 14-18 per cent of the bid — and that would be approximately the commission Bofors agreed to pay in May-June 1984 to middlemen — Chadha and the Hindujas (HW, p.67). Does that imply that Rajiv Gandhi knew about the secret commissions (over and above the open 2 per cent payable by Bofors to Chadha) to Chadha’s Panama Company, Svenska Incorporated (6 per cent) and the Hindujas in Switzerland (10 per cent) without the government’s knowledge (HW, p.67)?

The table shows the changes in bid, and commissions payable by Bofors. By the close of the deal in March 1986, the level of commissions seems to have dropped by 963 million kroner or Rs 160 crore (equivalent to US\$145 million) (HW, p.67).

**Preparing the Ground:** Even on October 29, 1985, when the negotiating committee met, the army representative maintained that the French weapon was best and wanted Sofma to be summoned for negotiations. However, the committee’s opinion was that the choice was still open between Sofma and Bofors and depended on a combination of technical and financial considerations (HW, p.51).

Carl John Aberg had cabled the Swedish embassy in New Delhi on October 30 with a summary of Palme’s conversation with Rajiv Gandhi in New York (HW, pp.223-224). At the same time, Aberg warned: “One false step in the now decisive phase can have devastating consequences.” Therefore, “...Great caution should be observed in discussions with persons who are *not recognized as Gandhi’s closest confidants.*” Aberg later declared before the Swedish Parliamentary Committee on the Constitution (SPCC) that Rajiv Gandhi “had of course great influence on the deal, *bearing in mind the way in which the country is governed* (HW, p.51).”

SK Agnihotri, joint secretary in the defence ministry, was removed from the defence ministry and as member of the price negotiating committee in the second week of December 1985. The special court was told that he was not in favour of awarding the contract to Bofors, as it did not fulfil general staff qualitative requirements. In fact, Agnihotri had made it clear to defence secretary SK Bhatnagar that he would not be a party to any decision in favour of Bofors “throwing the basic tenets to ransom”. Agnihotri had joined the ministry only in June 1984.

**Palme-Gandhi Discussions:** Olof Palme arrived in India on January 16, 1986. He attended a two-day seminar on disarmament in New Delhi on January 20, 1986. On January 20, a memorandum drafted in the prime minister’s office (PMO) was handed over to Rajiv Gandhi, stating that both Sofma and Bofors guns were technically acceptable and, therefore, price and terms of credit would be crucial in the final analysis (HW, p.52).

Westander writes: “Two days later (on January 22) Palme and Rajiv met. Palme was assisted by Hans Dahlgren, but not at lunch that followed. Then, when Palme was alone with the Gandhi family, the arms deal was discussed (HW, p.71).”

After lunch, Palme confirmed to Swedish reporters that the arms deal was discussed but would not say more. There is no information on what he did during his first four days in India. He stayed at the Maurya Sheraton's VIP suite on the 14<sup>th</sup> floor — on the same floor as the Bofors resident delegation (HW, p.71).

Palme flew back to Europe on the night of January 23, 1986 in first class with his bodyguards. His assistant travelled in another section. Martin Ardbo sat next to Palme. Ardbo said, "We had a long conversation about the Indian deal on the journey home." Here, Westander speculates: "What did Ardbo tell Palme during the flight? Could the explanation for Ardbo's notes concerning Palme's involvement and the possible overthrow of the Swedish government lie here? Ardbo refuses to comment (HW, p.72)." Meanwhile, the Indian front was being firmed up.

**U-Turn by Army Chief and Negotiating Committee:** The government announced its intention to appoint General Sundarji as chief of army staff (CoAS) in November 1985 itself though he could only take up the post on February 1, 1986. Such an advance announcement was somewhat peculiar. Sundarji then provided the logic that overturned all five assessments (including his own when he was deputy CoAS from August 1981 till December 24, 1982) and put Bofors at the top of the list on February 17, 1986.

But, even on February 10, 1986, when the prices were revised downwards, the difference against Bofors and in favour of the French gun increased only from 6 to 7 per cent! Later, on March 21, 1986, Bofors reduced its price by 15 per cent just before the award and offered 10 guns free. Sofma followed suit and reduced its price to match and ended up only one-half per cent higher than

Bofors (HW, pp.54-55).

However, as Westander writes: "Supported by the CoAS's final recommendation and the dubious cost calculations by civil servants, the deal was quickly put together: On March 12, 1986, a unanimous negotiating committee proposed that the contract should be awarded to Bofors. The proposal was approved in the following days by the two ministers of state for defence (one was Arun Singh), finance minister VP Singh, and finally by Rajiv Gandhi in his capacity as defence minister. The contract was signed on March 24, 1986 (HW, p.56)." This was exactly a week before the deadline for AE Services to collect their fee.

**Deal goes through:** The Comptroller and Auditor General (C&AG), India's supreme audit body, commented on the contract in the following manner: "After the approval of the proposal on March 24, 1986, four contracts were signed on the same day. There were six consequential agreements, three with Bofors, two others for credit with Svenska Export Kredit (the lender) and an agreement with the government of Sweden (memorandum of understanding). The CCPA (cabinet committee on political affairs) had earlier approved (April 1984) the proposal to procure guns and ammunition up to the estimated cost of Rs 1,600 crore and the constitution of the negotiating committee (C&AG Report, 841 FTTAB, dated July 11, 2001)."

"...The results of the committee's efforts and its recommendation were not remitted to the CCPA for directions, particularly as the total financial implications of the deal, when worked out by the ministry after taking into account the cost of transportation, interest on credit and other charges, amounted to Rs 2,138 crore. It was also noticed that the executive decision was not covered by a sanction to be issued in the name of the president, as required under Article 77 of the Constitution (C&AG Report, 841 FTTAB, dated July 11, 2001)."

Thus, the contract itself was highly irregular since it did not have the required sanction from the CCPA which it needed as it had exceeded the previous sanction by 34 per cent!

As the C&AG pointed out, not only were the technical specifications in favour of the French gun but also the financial calculations were contrived such that the French advantage was hidden and the Bofors costs suppressed in the final tally. The C&AG stated that the conclusion that Bofors was the cheapest was of “doubtful validity” (HW, p.55).

After Palme was assassinated on February 28, 1986, Rajiv Gandhi went to Stockholm to attend Palme’s funeral on March 15, 1986. He told the new prime minister of Sweden, Ingvar Carlsson, of the award, and he, in turn, promised to give additional export credits to finance the deal (HW, p.74). The Swedes funded 80 per cent of the contract through soft loans — from their development aid budget for poor countries. When this became known, it caused outrage in Sweden.

Twenty per cent of the initial payment (Rs 287.60 crore) was made in hard-earned tax money by India and, as the Bofors management told their employees, it would go towards “commissions”/bribes — “the Indian Ocean is full of hungry sharks that have to be fed before you can send boats full of guns to India” (HW, p.136). The Indian cash payment, therefore, funded the “commissions”.

Bofors would also, as part of a deal with the Swedish industry minister (later, speaker of the Swedish Parliament), Thage G Peterson, pay 50 million kroner (Rs 8.50 crore) into Bergslagen Fund — a regional development fund for the region (HW, pp.38-41). Westander considered this as being funded by the Indian government indirectly without its knowledge. However, the total subsidy given by the Swedish government to implement the deal was 795 million kroner (Rs 135 crore) — Westander considers this pure aid (HW, p.36). This enabled Bofors to reduce its price, and, at the same time, safeguarded the vital ‘commissions’.

Shares in Nobel Industries (Bofors’ parent company) rose in value by 135 per cent between February 1986 and February 1987, while the rest of the Stockholm Stock Exchange rose by only 31 per cent over the same period (HW, p.236, fn.6).

Rajiv Gandhi gave up the defence portfolio and handed it to VP Singh on January 24, 1987. When VP Singh got too keen on investigating defence scams, he was sacked on April 12, 1987, and was replaced by KC Pant (a safe pair of hands). Arun Nehru had been sacked much earlier — on October 22, 1986.

**Story Breaks:** On April 16, 1987, *Dagens Eko* (Swedish Radio) broke the story of Bofors’ bribes to top Indian officials and politicians for the howitzer contract. This is the defining moment. The cover-up started immediately and still continues.

Rolf Porseryd of *Dagens Eko* was in New Delhi. On the morning of the revelation he received a summon from G Parthasarthy, the foreign minister’s spokesman and information adviser and spokesman in the PMO (1985-90). Parthasarthy insisted on meeting at lunchtime. During the meeting, he put pressure on Porseryd: “Who have you met?” Porseryd refused to reveal his sources. Parthasarthy rose immediately from the table. “We’ll be in touch,” he said and left (HW, p.88). Porseryd was thereafter confronted at his hotel by 12 security policemen — all of them very conspicuous in their white shirts and brown trousers! He wrote in his diary: “The unpleasant shadows are closely following me and won’t leave me alone. When I close the door at night, their ice cold eyes happen to catch mine (HW, p.89).”

This was not the civilized and restrained Swedish attitude that Porseryd was used to (in Sweden, Press Law, Para 3:4 and 3:5 forbids investigation of sources) — least of all initiated by a diplomat. *Dagens Eko* lodged an official complaint that such harassment of its reporter was a violation of UNESCO rules by India (BMO, p. 31 &122).

The Indian ambassador to Sweden, BM Oza — in contrast, a very civilized man — was India’s man on the spot. When he could not get more facts from Swedish Radio, he managed to do two things. One, he got Bofors to send him a report on the matter and, two, got permission from the prime

minister through foreign secretary KPS Menon to ask the Swedish government to initiate an investigation into the allegations.

After many unsatisfactory drafts were submitted to him earlier, he got the Bofors final report on April 24, 1987, and sent it the next day to New Delhi with a covering letter saying that in his opinion the report was unreliable. Then, what began was a charade. An official spokesman in Sweden, when asked by the Swedish media, said there was no inquiry underway from the government. Oza contradicted him. The official repeated his statement and Oza once again denied it. This was too much for Oza, so he went to see Carl Johan Aberg (BMO, p.36).

This is what Oza found: “Aberg told me that on April 27, on receipt of the report from Bofors sent by me to the Indian government, prime minister Rajiv Gandhi *personally* rang up prime minister Ingvar Carlsson and told him that since Bofors had confirmed in their report that it did not pay any commission to middlemen, official investigation by the Swedish government in the matter was no longer necessary. I was aghast. I said that prime minister Rajiv Gandhi could not have said so and that there must have been some misunderstanding in the matter. Aberg told me that although English was not their native language, their comprehension of the English language was not that bad. Besides, he added, the conversation between the two prime ministers was also listened into personally by him (BMO, p.36).” Aberg said that unless Rajiv Gandhi personally revered his position again, the Swedish government would not carry out the investigation (BMO, p.37).

Oza had not received any information of the withdrawal from Delhi. Moreover, Rajiv Gandhi had given a solemn undertaking to the Indian Parliament that he would get the Swedish government to hold an official investigation! Oza had a frantic discussion with foreign secretary KPS Menon, who did nothing to help. So, Oza informed Gopi Arora, then special secretary in the PMO, who was an important confidant of Rajiv Gandhi (BMO, p.37). Arora was the main backstairs actor in this affair and was later made finance secretary (1989-90). He was indicted in the Bofors scam case but ended up as India’s representative at the International Monetary Fund (IMF), Washington.

Poor Oza had his hands full. New Delhi did not take him into confidence; his superior, KPS Menon, secretary in the ministry of external affairs, seemed to have washed his hands of the matter. Menon referred Oza to Ronen Sen, joint secretary in the PMO responsible for foreign affairs, defence and science and technology, and, later, ambassador to the United States (BMO, pp.29-30). Sen gave instructions ostensibly on behalf of the prime minister and, despite requests from Oza, never put anything in writing. Moreover, to compound the situation, Sen would talk directly with the Swedish foreign office (BMO, pp.112-113). All this made Oza’s life difficult and India’s position in Sweden untenable.

Rajiv Gandhi had told the media that the Swedish prime minister had confirmed that no middlemen were involved. Ingvar Carlsson denied having done so. Then Rajiv Gandhi “changed his tune” and said that he was referring to the late Swedish prime minister: Olof Palme! Referring to his call to Carlsson, Rajiv Gandhi told Parliament that it was a “courtesy call”. Oza comments: “This was a blatant lie (BM, p.38).”

Finally, Rajiv Gandhi sent a message addressed to Carlsson through Oza, asking once again for an official Swedish investigation — which was entrusted to the Swedish National Audit Board —Sweden’s supreme audit authority (BMO, p.38). This report set off the pattern of cover-up, lies, retractions and stonewalling that would envelop Rajiv Gandhi and his government.

General Sundarji vindicated his earlier support for Bofors by stating in writing on June 12, 1987, what he had orally told defence secretary SK Bhatnagar and Arun Singh earlier. He had told them that the contract should be cancelled. He expected that the threat would make Bofors reveal the names of persons to whom they had paid “commissions”/bribes. He did not think the delay in getting the guns

would be great and affect national security. He was backed by the minister of state for defence, Arun Singh, the senior minister of defence, KC Pant, and the defence secretary, SK Bhatnagar — though Bhatnagar and KC Pant changed their tune soon enough.

On the basis of Sundarji's stand, additional secretary NN Vohra "threatened serious consequences" for Bofors. He demanded that Bredin's superiors (Bertil Bredin was Bofors resident in New Delhi) should come to New Delhi on July 6 "with complete information". The harsh tone gave results: on July 4 at 11.15 am, Bredin informed the defence ministry that the managing director of Bofors and a judicial adviser would come to India to meet SK Bhatnagar. In the afternoon, the attorney general, who is India's highest judicial adviser, handed over a 14-page report to the defence ministry... The attorney general recommended, "the government should take a firm stand even to the extent of threatening Bofors with the consequences of termination of the contract (HW, p.105)."

At 8.30 pm on the same day, July 4, Bredin received a message from the defence ministry that the planned meeting with the defence secretary was cancelled (HW, p.106). So, what happened in the nine hours in between the two messages?

"Rajiv Gandhi had the same day returned from a visit to Moscow. He immediately called a meeting at his home. Participants were, among others, Arun Singh, SK Bhatnagar and NN Vohra. They decided to cancel the meeting with Bofors... General Sundarji was informed that Rajiv Gandhi had attacked Vohra for adopting a threatening approach towards Bofors to force the company to reveal the information (HW, p.106)."

Three days later, Arun Singh resigned from the government. And what is more, Rajiv Gandhi announced publicly that there was no question of cancelling the contract (HW, p.107). He had deliberately thrown his trump card away and done it publicly. Far from revealing details of payments, Bofors need not do anything of the kind after that relief.

**Bofors Scam—A Major Issue:** One by one, the report of the Swedish National Audit Bureau, the C&AG report, the Sundarji interview and the joint parliamentary committee's report, alone with the disclosure of original documents from Sweden in the Indian Press, began taking their inevitable toll on the credibility of Rajiv Gandhi and his government. As the story unravelled and documents emerged, the Indian parliamentary opposition began loudly and vigorously demanding full disclosure.

**Enter Natwar Singh:** In Sweden, the foreign minister, Sten Andersson, was vociferous in demanding full disclosure from Bofors which was stone-walling everyone on this issue. The Indian foreign minister, K. Natwar Singh, continued to call and meet him, demanding Swedish cooperation and pressure on Bofors and asking for the latest updates. After two meetings with Natwar Singh — August 25 and September 3, 1987 — the penny dropped at the September 30, 1987, meeting Andersson had with Singh in New York. The details were recorded in a note signed by Anders Ferm, the Swedish ambassador to the UN (HW, p.230).

It detailed: "During the short meeting that took place in a very friendly atmosphere and in which only one other representative from each country participated, a quick review took place of developments in the Bofors deal since the two ministers met in New York late August. ... At the same time *there is an opinion* that in addition to the information obtained during the recent visit of the Bofors delegation to Delhi, *there are some details that require clarification*. They expected to receive a letter from Bofors *any day now* with more information. Some of these clarifications would probably contain details that were embarrassing for both India and Sweden. Natwar Singh inquired about the progress in Sweden of the judicial procedure against Bofors. In connection with this, Natwar Singh requested the foreign minister to *convey certain messages* to the Bofors management in Sweden (HW, p.230)."

What was Natwar Singh saying to the Swedes?

He had all along been urging the Swedes to put pressure on Bofors to reveal information on the payoffs and seeking information from the Swedish side. Now, he seemed to be saying that the sought after information would be embarrassing to both the countries. And what's more, Natwar Singh sent messages to Bofors through the Swedish foreign minister!

The Swedish foreign minister did exactly that. His staff called Anders Carlberg at Nobel Industries and told him to meet Andersson when he landed from New York at Stockholm's Arlanda Airport. Urgency seems to have been indicated and Carlberg was there on October 2, 1987, at 8.55 am.

However, no memorandum was made subsequently and it was only when Andersson appeared before the Swedish Parliamentary Committee for the Constitution (SPCC) that details emerged. Details also emerged from Martin Ardbo's famous diary and notes. First, Ardbo's notes said: "Carlberg has met Sten Anson directly after landing... Sten Anson asked if Carlberg knew or thought the party ('parti') had received means. C answer doubtful." (The Swedish word 'parti' in the original means 'political party') (HW, pp.142 -143).

Andersson later told the SPCC that he asked Carlberg a question: "I threw at him what had been in the press: can you really guarantee that the party — the Congress Party — has not received any money? I did not suspect it for a moment, but I wanted to see his reaction." He also denied to SPCC some parts of the conversation, which were later revealed in the note on the meeting (HW, p.230). Later, Andersson told the Swedish news agency, TT, that the Natwar Singh conversation of September 30 was about Bofors. He said: "My view is that the Indian government probably knows more than the Swedish government in this matter (HW, p.147)."

Westander posed the question: why should the information be embarrassing to Sweden and India — not just to Bofors? As per Martin Ardbo's notes, Bofors was prepared to tell "the whole story" on September 30, 1987 (HW, p.149 & 152).

On the same day, September 30, Natwar Singh told Sten Andersson that Bofors was expected to furnish information that probably "was embarrassing to both India and Sweden. Therefore, it is easy to understand why Sten Andersson kept silent" (HW, p.152). Thereafter, as Westander says, "There is only one reasonable explanation to the Swedish government's action; it had understood that Rajiv Gandhi was not interested in the truth (HW, p.159)."

**Ardbo's Diary/Notes:** In the entry for September 1, 1987, Martin Ardbo wrote: "Meeting with Gothlin, Morberg, Ekblom and Eldh principally about how the preliminary investigation (by the Swedish prosecutor's offices) concerning India is proceeding. Ebb took minutes. Judicial consequences hardly seem to exist. Although, the effect on Win (Chadha), Hansson (Hindujas) and Nero (Nehru) cannot be predicted. Palme's involvement, should it become known, will probably bring down the Swedish government. Everybody is afraid that I will tell the whole truth. They want me to remain silent with reference to personal safety — mine — *inter alia* (HW, p.116)."

What was Rajiv Gandhi anxious to hide?

Win Chadha was not a problem for him. Neither were the payments to the Hindujas even if he was aware of them. The Hindujas were desperate that exposure may come in the way of their takeover of Ashok Leyland. This, they only completed in late October 1987, against major opposition (HW, p.152).

Ardbo's diaries, notes and interrogations revealed some interesting details. Prosecutor Lars Ringberg interrogated Ardbo. He asked, "Why would Ardbo not reveal which persons were behind the companies to which Bofors had paid commissions? Ardbo was hesitant in answering. Then, he said:

'But the problems are the consequences that may occur today, the problem is, Mr Lars Ringberg, (pause) well, you can see for yourself when the government, *Mr Palme himself was deeply involved in this deal*' (HW, p.242)." When asked by Detective Inspector Gunnar Ahl on December 15, 1987, what he meant by Palme's involvement, Ardbo refused to answer, and said "*the truth... (will)... die with me*" (HW, p.77).

Westander notes: "Bofors was expected to pay 252 million kroner (Rs 43.1 crore) in commissions to AE Services. When *Dagens Eko* in April 1987 revealed that Bofors had paid commissions, only 50.5 million kroner (Rs 8.60 crore) had been paid. The disclosure confounded the situation and Bofors stopped paying. At the end of June 1987, *Bofors tried to reach agreement with AE Services*. Ardbo noted in his diary on June 27, under the heading "To do", that he would talk to Wilson "concerning our actions". Three days later, Ardbo sat in a Stockholm restaurant and noted his assignment: "negotiate with (Bob) Wilson". During the day, he and Anders Carlberg had an extensive discussion about his salary and how to handle the Indian deal. The following day he went to Geneva where he met Bob Wilson and his colleague, MT Stott. After the meeting, Ardbo noted: "*Myles Stott: Bob has spoken to the Gandhi trustee lawyer* (HW, p.119)."

Westander says: "This indicates that the middleman, Bob Wilson, had spoken to the lawyer who administered Rajiv Gandhi's or Congress(I)'s money! But for what reason? There had been considerable speculation that the money went to the Congress (I). But the following statement is a fact: 'We paid 50 million kroner to the Congress Party', declared Martin Ardbo during an internal Nobel meeting in the autumn of 1987 when the India deal was discussed. Ten minutes later, possibly after careful reflection, he corrected himself: '100 million went to the Congress Party,' Ardbo stated... (HW, p.69)."

On September 2, 1987, Ardbo wrote: "Met Bob Wilson at the Sergel Plaza Hotel 9.00. He understood that I could be forced to tell the whole story. One did not care about the consequences for N, however *Q involvement was a problem because he came (sic) close connection with R*. There are no demands. *W promised to find out what was said between P and R* (HW, p.117)."

Since Palme (P) was dead, Wilson could only find out those details from Rajiv (R). This seems fantastic as Wilson and AE Services had come in late and the funds they received from Bofors went to Quattrocchi (Q). Was he implying that he would ask Quattrocchi to find out from Rajiv Gandhi details (agreed between him and Palme) which were necessary to proceed further — but in what way?

Was Quattrocchi (for whom AE Services was fronting) then the critical new element introduced by Arun Nehru to Martin Ardbo at their New Delhi meeting? Recall, on June 24, Gaufinn's note after his meeting with Arun Nehru: "When the Bofors negotiators will arrive Nehru will inform me as to whom the negotiator should meet (HW, p.219)." And once that was done, then, on July 3, 1985, Nehru is recorded as saying: "I am not in the picture any longer. I have done my part of the job (HW, p.221)." Quattrocchi did nothing openly for the Bofors deal, unlike his Snamprogetti business where he was operating in the public limelight. *So, whom, if any, was Quattrocchi fronting for in turn?*

Ardbo wanted to "negotiate with Wilson" and to talk "concerning our actions". Wilson would find out what transpired between the late Palme and Rajiv Gandhi (through Quattrocchi) and then Bofors would know what to do — with the balance of the payoff.

As far as Bofors was concerned, payment of commissions was legal in Sweden. If necessary, Bofors could have paid the stopped commissions as well as any others intended for the 'Gandhi trustee lawyer' after the Swedish National Audit Bureau had filed its report. No one in India or Sweden would investigate further.

**Indian Elections Results:**The November 1989 general election resulted in reducing the strength of

Rajiv Gandhi's Congress party in a Parliament of 533 members, from 414 to 192, and ushering out Rajiv Gandhi and his government.

The entire deal was completed by the end of 1989 with the delivery of 410 guns and all the ammunition. The amounts due on the gun and ammunition shipments had been paid to Bofors by Svenska Export Kredit (SEK — the lender) and now all that was left was for India to pay the interest and repay the loan to SEK.

The new Indian prime minister, VP Singh, refused to extend the contract to cover either new supplies or to approve licensed production of the gun in India. The latter was worth 16,000 kroner (US\$3,500 million, equivalent to Rs 3181 crore) — twice the order for guns and ammunition already delivered.

"In March 1986, the Swedish prime minister, Ingvar Carlsson, had guaranteed the Indian government an additional export credit of at least 3,100 million kroner (Rs 530 crore) to make licensed manufacture possible. Carlsson also promised that 'the concession in credit rates for licensed production would be of the same magnitude' as the original deal. The guarantees were valid until September 1993 (HW, p.161)." Commissions on this — even at the reduced 9.2 per cent rate — would be enormous.

The licensed production had been the major deal that would have yielded huge profits for Bofors. But Bofors preferred not to accept VP Singh's condition — reveal all the names of the real beneficiaries of the 'commissions' that were paid by Bofors for the howitzer deal. This is odd. Perhaps, Bofors thought Rajiv Gandhi would return to power. Perhaps, the motivation was altogether different. One does not know.

**A Seventh Account?**:As we have seen, by June 1984, commissions of US\$210 million (Rs 231 crore) — at 14.25 per cent on the final contract value) — were payable by Bofors. If this still held, then, the balance may have been paid directly to a seventh account ('Gandhi trustee lawyer'). The total payment that Bofors may have been contemplating to this account would be in the range of US\$90 -160 million (Rs 99-176 crore) — a larger figure if the stopped payments were included. It is useful to remember that the US dollar was worth Rs 11 in those days — so, in current terms, we are talking about the dollar as five times the present value of over Rs 50 (at end-August 2013, with the rupee in decline, it is Rs 64 plus).

It seems obvious that there was a fear that the connection between AE Services and the recipients of the Bofors payments would lead to Quattrocchi. It did. From Quattrocchi to Rajiv Gandhi is a logical step, as was clear to Ardbo. As we have seen, the cover-up was too intense to be otherwise and the prime minister himself conducted it — telling a lot of lies. It put his government at risk and resulted in its defeat in the 1989 polls .

However, neither the VP Singh-led government, nor the successor non-Congress governments, seemed to want seriously to get to the bottom of the matter. They appeared content to let this issue be alive to put pressure on selected Congress personages. But, the Swedes — though not their government — and some of their police officials, did not give up. *One such person was Sten Lindstrom*, the police officer who investigated the Bofors scam.

**Sten Lindstrom Speaks:**Lindstrom wrote a signed article (SL1), in *The Asian Age* newspaper on April 8, 2004 (republished and quoted nationwide). Lindstrom expressed his view: "Almost 18 years after the Bofors case was handed over to me for investigation, I remain convinced that the truth about what happened in India and Sweden will surface one day. It always does. Whether I can help or not, whether those in India and Sweden who covered up in the Bofors case want it or not, one day we will know the truth. Whether we have the courage to face it and put in corrective measures is another matter. But truth has a nasty habit of surfacing when we least expect it to (SL1)."

As he says: “The Bofors case told itself. And it will continue to do so. By making my work difficult at every twist and turn, by hiding what I was looking for, by offering me irrelevant information and by continuing, even today, to pretend to look for the culprits, the Bofors story continues to tell itself (SL1).”

The critical point was his comment: “I said earlier that the truth will come out one day. I do not believe that day is far. The unravelling continues. Ottavio Quattrocchi, the Italian middleman who negotiated the political payoff through AE Services, must be interrogated...(SL1).”

Lindstrom set out six questions, which would clear the case: “Key questions need answers. Among them: (1) Who introduced Ottavio Quattrocchi to Bofors officials? (2) What was Ottavio Quattrocchi’s value proposition that led him to assure Bofors contractually that he need not be paid if the deal was not closed in their favour? (3) Why did Bofors pay Ottavio Quattrocchi? (4) What services did his company AE Services offer? (5) *What are the links between Ottavio Quattrocchi and Sonia Gandhi?* (6) *Who is the Gandhi trustee lawyer that Martin Ardbo (sic) met in Geneva (SL1)?*”

Going over the documentation, most of the answers to these questions can be guessed at with reasonable accuracy. As for Ardbo meeting the ‘Gandhi trustee lawyer’, Ardbo’s diary entry does not support this — he had recorded in his notes/diary that Myles Stott told him that Wilson had met him. Is it possible that Ardbo told Lindstrom during interrogation later that he had also met the Gandhi trustee lawyer? Was it after the affair died down? And did he discuss the way forward to achieve an agreement over payments?

This is what Lindstrom says: “I raised these questions with Martin Ardbo, the key Bofors negotiator, who told me, as he did to a few others, that the truth about the India payoffs would follow him to his grave. He was *especially quiet* about the last-minute contract with AE Services, a deal that he *personally oversaw*. It was clear to me that this was *the political pay-off* (SL1).”

“Ardbo was very worried about what I knew about this deal. He was surely worried about people discovering who ‘Q’ was and what his links to ‘R’ were, as he noted: ‘Q’*for Quattrocchi and R’ for Rajiv Gandhi*. I am being made a scapegoat to protect big people, he told us. There were other telltale marks. In crimes that involve political payoffs, no one has the full story (SL1).”

“It would not be wrong to say that I am probably one of no more than a handful of people, if not the only person, to have seen all the documents pertaining to the Bofors-India case...(SL1).”

The only man who could tell the whole story (other than Rajiv Gandhi) and who didn’t and died taking his secret to the grave was Martin Ardbo. As he does not seem to have left a document behind, nothing will now come from that secret and vital source.

Sten Lindstrom’s latest interview with Chitra Subramanium (SL2) after 25 years has revived interest in the Bofors scam again. His significant statement was: “The Indian deal was the straw that broke the camel’s back because it showed that corruption had reached right to the top in Sweden and in India. They were very brazen about it. *There was no evidence of any bribe being paid to Palme, but he and some of his ministers knew exactly what was going on* (SL2).”

On being asked about Rajiv Gandhi, Lindstrom said: “*There was no evidence that he had received any bribe. But he watched the massive cover-up in India and Sweden and did nothing.* Many Indian institutions were tarred; innocent people were punished while the guilty got away. *The evidence against Ottavio Quattrocchi was conclusive.* Through a front company called AE Services, bribes paid by Bofors landed in Quattrocchi’s account, which he subsequently cleaned out because India said there was no evidence linking him to the Bofors deal. Nobody in Sweden or Switzerland was allowed to

interrogate him (SL2)."

**Ottavio Quattrocchi:** The Bofors story without Quattrocchi is like *Hamlet* without the Prince of Denmark. It does not make any sense: it makes as little sense as leaving out Rajiv Gandhi. While Rajiv Gandhi is at the heart of the story, Quattrocchi was around, lurking in the shadows.

Quattrocchi had always been in the limelight with regard to his employer, Snamprogetti, and the contracts it secured in India through his services. Why then was it necessary for Quattrocchi to hide in the Bofors deal?

Who was he and what was the meaning of this dual role — one public and open, the other private and hidden?

First, in his public role, Quattrocchi, a Sicilian, was an agent of Snamprogetti, the Italian Chemical and Fertilizer Company, and its allied firm, Haldor Topose. He was first posted to India in 1964; in 1966, he was posted away to Nigeria. Not much seems to have been achieved by him in this first posting. But he returned in 1968 and stayed till the notice of his imminent arrest in 1993 — and what a success it was this time! He won for Snamprogetti and Haldor Topose nearly 60 projects, including five major fertilizer plants at Thal Vaishet, four at Hazira, one at Una, two at Guna, three at Anola and two at Kakinada.

In fact, the World Bank cancelled the financing of the Thal Vaishet plants because the global tender process was overturned to grant the order to Haldor Topose despite its higher cost. This was in 1980 when Indira Gandhi was prime minister, and the future prime minister, Manmohan Singh, was then secretary, economic affairs, in the ministry of finance, directly handling World Bank affairs.

The ministry of chemicals and fertilizers was Quattrocchi's happy hunting ground. A former secretary to the government of India remembers seeing a guideline issued by the ministry when Rajiv Gandhi was prime minister that contracts for all fertilizer plants were to be given to Snamprogetti/Haldor Topose!

What was the nature of the Quattrocchi influence that made this possible?

It is alleged that this was due to the close friendship with Rajiv Gandhi. How did this happen?

Rajiv Gandhi married Sonia Gandhi in 1968. She was an Italian citizen and resided with her husband and family with her mother-in-law, prime minister, Indira Gandhi. Also, in 1968, Quattrocchi was posted back to Delhi and, as the court evidence says, was introduced to the Gandhis in 1974 by a mutual Italian friend — Molinari. Since that time the relationship became close and was no secret.

The Sicilian used the closeness to the Gandhis to get easy access to government officials and secure business. Naturally, if a non-Indian was needed for highly confidential and secret banking transactions in Europe, he would be an ideal choice for those who knew him well.

**The Palme Assassination—A Bofors Linked Tragedy?:** We now come to an incredible concluding story as far as Sweden is concerned. The assassination of Olof Palme was a traumatic event for Sweden. The investigation was done in a ham-handed fashion and drew great criticism in Sweden. The leads were not properly followed up and the man whom the police and authorities brought to trial was acquitted for lack of evidence.

Almost everybody in Sweden became a 'Palme detective'; sifting the evidence and drawing the wildest conclusions. Conspiracy theories abounded. In 1999, the Swedish Parliament set up a commission to inquire into and report on the whole affair. The book by Jan Bondeson is a work by an academic — extensively footnoted with references cited for mentioned facts. That Sweden was an

open society and the law favoured full disclosure of information was an added asset to any sober research.

It is interesting that Martin Ardbo's notes/diary has the following reference to the Swedish foreign minister, Sten Andersson. He notes on August 18, 1987 — six months after Palme's assassination: "Carlberg was called to Sten Andersson who was extraordinarily polite in spite of all his attacks. He conveyed a 'threat' — don't involve Palme. Carlberg told me this (HW, p.111)."

Westander writes: "When the evening paper *Expressen* published the information on February 5, 1989, Sten Andersson became upset. He was 'one hundred per cent' sure that he had not conveyed a threat to Nobel managing director Carlberg. However, he confirmed that they had talked about Olof Palme.

What had he said? This was something he could have related when he appeared before the Swedish SPCC in the spring of 1990. He began his testimony by giving an account of conversations he had both with the Indians and Carlberg in the autumn of 1987. But he never mentioned this meeting. Nor did the members of the SPCC ask him about it (HW, p.111)." The Swedish establishment was perhaps beginning to realize something was not quite right, and since Palme was heavily involved in the Bofors deal, *his death too may have been connected*. As we shall see later, this was difficult to ignore, as a lot of leads were available.

**Palme briefs Bofors?:** Westander recounts that, on February 8, 1986, Palme told the Swedish newspaper *Orebokuriren*, two weeks after coming home from New Delhi, "If Bofors doesn't get the Indian order, it's not my damned fault. I've done more than I could." And, after a short pause, he enquired: "What kind of human being is this Ardbo anyway (HW, p.73)?"

As is well known, Palme gave full support to the Bofors-India deal. Here is what Bondeson found from the Swedish 1999 commission report on the Palme assassination: "On February 18, 1986 Palme managed to extract from Gandhi that the price being charged by Bofors was about 10 per cent higher than that of its French competitor. (Note: This was even after the Bofors' downward price revision on February 10; HW, p.54). This was vital information, and Bofors adjusted its pricing accordingly. On February 20, Palme met with the Bofors (Nobel) director Anders Carlberg in an unscheduled emergency meeting about credit terms for the India deal; the prime minister again spoke to Gandhi over the telephone and agreed to help Bofors by guaranteeing the financial terms of the loan to India (JB, p.199)."

All this was really going out of the way and highly irregular for both prime ministers to carry on such an exchange of vital commercial information, to the detriment of the French company, Sofma. The ambassador to Sweden, BM Oza, had met Palme after his return from India in February - "a week before Palme was assassinated". Oza says he enquired about the visit: "He (Palme) sounded very happy and full of praise for Rajiv Gandhi. He expressed his appreciation for the warm hospitality extended by Rajiv Gandhi and added that he was particularly touched by the gesture of being invited to an informal meal at his home by Rajiv Gandhi together with his family. That way he said, he felt being accepted as a family friend and drawn very close to Rajiv Gandhi. He did not mention a word about the offer of Bofors. Nor did I ask him about it. But I got a strong feeling that things were on the right track for Bofors' business with India (BMO, pp.13-14)."

Despite opposition by the Swedish advisory parliamentary committee against the deal, Palme and his government, on February 20, 1986, had approved sales by Bofors of 680 Robot 70 missiles and Ericsson radar 'Giraffe' to Pakistan. The deal was worth 460 million kroner and a lot of pressure was put by Pakistani president Zia-ul Haq when he summoned the Swedish ambassador to Pakistan, Gunnar Hyltner, and Martin Ardbo in November 1985, and demanded immediate delivery (HW, pp.25-26).

*So, at the same time, Bofors and Sweden were selling sophisticated weapons systems to the two hostile sub-continental neighbours.*

**A Death in Winter:** Bondeson's book is a study of the Palme assassination, its events, the investigations, the conspiracy theories. It finally comes down to suggest that *it is the Bofors-India howitzer deal that triggered off the murder*. What follows is a summary of what he has to say (JB, pp.196-208).

On February 28, 1986, Palme went to his office in a good mood. Before lunch he received the Iraqi ambassador to Sweden, Mohammad Saeed al-Sahaf (later Saddam Hussein's minister of information — the infamous 'Baghdad Bob'). Palme was the official UN arbitrator on the on-going Iran-Iraq war.

The 1999 commission was told that the Iraqi ambassador had informed Palme that Bofors was 'illegally' exporting arms to Iran. "Whether 'Bagdad Bob' had produced documentary proof of these transactions is not known but he may well have done so (JB, p.197)." The ambassador knew Palme and had met him several times before. He was proud of his knowledge of the international arms trade and had accumulated a dossier on Bofors (JH, p.224, fn.2). The ambassador left at 12 noon and Palme briefly met some colleagues before sitting in his room alone. His secretary had gone for lunch.

Palme was late by 20 minutes for the normal 1 pm official government lunch. He came... "in a furious temper, completely distraught for some unknown reason and unwilling to tell anyone why. One of the ministers advised him to resort to the traditional Swedish custom of having a 'snaps' of aquavit to steady his nerves, but the prime minister angrily declined. In the afternoon, Palme gradually recovered his usual calm and professional manner. A journalist who interviewed him for a trade union magazine even thought that he was in a rather good mood. But, when Palme was asked to pose by the window for a photograph, he moodily declined, saying: 'You never know what may be waiting for me out there.' This struck the journalist as being out of character and in marked contrast to the prime minister's attitude during the interview (JB, p.6)."

Bondeson says that after seeing a late night movie on February 28, Palme was walking home via an unnecessarily long and less safe and less well-lit route (inconceivable in minus 7 degrees cold). Palme seemed to have had a pre-arranged meeting to pick up papers at a particular point — for which they crossed the road — otherwise unnecessary. Witnesses saw both, the man waiting and meeting Palme. Mrs Palme was observed to let go of Palme's arm and walk slightly ahead as if to allow Palme and the man to talk unheard. The man then shot (in the back) Palme dead and fired a shot aimed at Mrs Palme, which only grazed her back. The murder is unsolved.

**Speculation:** Bondeson reports: "Three days after the murder, the secretary general of the Swedish Civil Defence League, former journalist Karl-Gunnar Back, was contacted by an Englishman with contacts in MI6, who claimed to know who had killed Olof Palme. The man was calling from London but offered to come to Sweden in person. Back was intrigued, knowing this man had provided valuable information to him in the past, and received him the following day. The London mystery man told Back that the motive behind the murder was the Bofors-India deal, and that a *shady company called 'A&I Services' had received money from the deal*. The leader of this company, whom Back's contact knew as 'Donaldson' or 'Robertson', lived part of the time in London, part of the time in Johannesburg. This 'Robertson' was the mastermind behind the plot and the murder had been arranged by some South African hitmen and a Swedish policeman (JB, pp.204-205)." In Swedish, the letter 'I' is pronounced like the English 'E', which explains how Back got the company name slightly wrong (JB, p. 225, fn.1).

At that time, no one knew about the AE Services deal with Bofors except those intimately involved in it. Robert (Bob) Wilson was a key man in AE Services. The whole conversation was on tape. In March 1986, Back sent the tape through his secretary to the Palme murder investigators at Uppsala. When his

secretary called the police in May to enquire about progress, they told her there was nothing of interest! Back was amazed; he thought the information was “highly relevant and sinister”.

He arranged to interview Martin Ardbo and that interview “did nothing to allay his fears”. He then wrote up the whole episode for his Civil Defence League magazine only to have ‘an agitated’ Ardbo call him and say that it was “groundless speculation” (JB, p.205). When this story came to light at the time of the 1999 commission, the police said they never got the tape, though Back and his secretary’s family asserted it was delivered.

Bondeson speculates that the Iraqi ambassador told Palme about the Bofors-India deal — perhaps the AE Services contract (signed against all orders) — and Palme would have been outraged at Bofors violating his directive. He would have been very angry, as he had done so much to help Bofors. He would have called Bofors (Ardbo) and demanded information. If Ardbo told him that the Bofors-AE Services contract had nothing to do with the India deal, Palme would have demanded to see the contract document that very night and threatened to block the deal if Bofors did not comply (JB, p.204).

Perhaps Palme was also told (by the Iraqi ambassador or by Ardbo) of Rajiv Gandhi’s involvement in the ‘commissions’. This would have outraged Palme as he had come to think of the ‘Gandhis’ as his family friends after the lunch meeting at their residence on January 22.

Palme’s usual ‘political fixers’ — Lindbom, Ebbe Carlsson and Hans Holmer — were away on February 28 (JB, p.225, fn.19). Palme would have had to handle this himself. If Ardbo had promised to have the document delivered by a courier, Palme would have rested easy and not alerted his bodyguards. Anyway, he preferred to move/walk around without them frequently and certainly would not have thought of troubling them at near midnight on a Friday.

As the deal was about to go through and the contract would reveal the Indian howitzer connection, steps would have been taken to alert the principals. The rest is history and it may explain why Ardbo carried his secrets to his grave — *it was not because of his role in the Indian pay-off, but due to his part in the Palme assassination.*

Like Bofors, will Palme’s murder remain unsolved? Or will they be solved simultaneously when the Swedish and Indian governments decide to unearth the truth?

### **Conclusion:**

**Swedish Documents and Attitudes:** The Bofors papers relating to its offer to supply 155 mm howitzers to India run into thousands of pages. Reading even 100 or 200 of the most important documents leads one into circles of confusion from which it is impossible to break out. What is needed is a straightforward account of the main elements. For this, the best approach is from the Swedish side.

The Swedish view is neatly and clearly expressed in a book by Henrik Westander (HW), *Classified: The Political Cover-Up of the Bofors Scandal* (published in English by Sterling Newspapers in 1992; the original Swedish edition *Hemligstamplat* was published in 1991). Westander is a well-known and highly acknowledged arms export researcher of the Swedish Peace and Arbitration Society (SPAS), the world’s oldest peace movement, founded in 1883. His book has made full use of the advantages that Sweden gives to its citizens in terms of access to official records, files, conversations, minutes and other documents that would be otherwise inaccessible as ‘secret’ and ‘confidential’ in other countries, including India. The original memoranda and cable in full are given in the appendices.

Other important documents are a signed article by the Swedish police officer, Sten Lindstrom (SL1), in *The Asian Age* newspaper on April 8, 2004 (republished and quoted nationwide), and his interview

with Chitra Subramanium (SL2) on the website, *The Hoot*, on April 24, 2012 (carried in full in other media outlets). Also important is a major study by a Swedish academic at Cardiff University, Professor Jan Bondeson (JB) ('*Blood on the Snow—The Killing of Olof Palme*', Cornell, 2005). The memoir of the Indian ambassador to Sweden, BM Oza (BMO) ('*Bofors: The Ambassador's Evidence*', Konark, 1997) gives the general view from Stockholm.

This article is based largely on the Westander book (HW) for information on Bofors and on Bondeson's work (JB) on the Palme assassination and its link with Bofors. The other links are provided by references to Sten Lindstrom and BM Oza. Emphasis has been added to highlight significant parts of the quotations.

*The writer is former Dean, Research and Consultancy and Director, Center for Public Policy, Administrative Staff College of India, Hyderabad.*