

▶▶ GM Crops

▶▶ Micro Finance

▶▶ Terrorism



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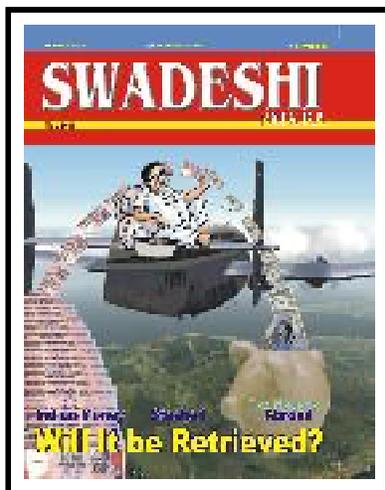
Indian Money

Stashed

**Tax Havens
Abroad**

Will It be Retrieved?





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Crops worth Rs25,000 crore are lost in India due to spurious Pesticides

A Cruel Joke

Prime Minister's claim to revive economy in 100 days so unded like a cruel joke. This, as pointed out by the opposition, is an admission of the fact that economy needs to be revived. But how will Manmohan Singh revive the ailing Indian economy? He is an accepted economist and as the Prime Minister he had five years available. He also was having a 'dream team' in FM Chidambaram and Montek Singh Ahluwalia to assist him. What did they do in five years? Congress party is trying to sell growth rate to electorate but ignores several other reports of the government revealing increase in the number of BPL families. CAG's report raising questions about NREGA and prospects of the poor performance of economy in near future are pushed to background.

Mr Manmohan Singh is unable to make one categorical statement that he will ensure that the lakhs of crores of black money stashed in Tax havens mostly by politicians and bureaucrats since independence will all be brought back to India. Let it take 100 weeks. But let the process begin right now when he is in the office. Obviously he has no intentions to do so, or maybe he has the intentions but is not being allowed to act. Popular perception is that it is the doubtful records of the first family that is scaring him. How can he go against the people who rewarded him for the selfless service? India will love to have one promise from Mr. Manmohan Singh, that irrespective of the outcome of polls he will behave independently? If he makes and keeps this promise India will be better-off.

Rajesh Mallik, New Delhi.

Talbanisation of Pakistan

Speedy Talbanisation of Pakistan has scared entire world. West including US of America is nervous. It needs to be understood that Talbanization is, an ideology watered by these very countries. No argument, logic would change a Taliban mind, especially when they are winning and have strong support in establishment and in public. The only way to save the world including Pakistan is by eliminating them forever. There is no other way out. Dividing them into good and bad Taliban will not work.

India with a history of confrontation with Pakistan has also to be very vigilant, careful and tactical. No compromise with anyone on basic issues of national security. Training of our security forces and intelligence agencies needs to be taken as a priority.

Rakesh Sharma, Faridabad

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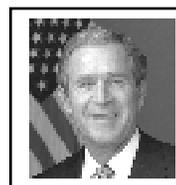
Leave alone forming the government, Lalu Prasad Yadav will find it difficult to become even a Minister.

Pranab Mukherjee
External Affairs Minister



Israel is at the forefront of the war on terror. This is a war that we fight not only for our people, but for the entire world.

Shimon Peres
President of Israel



My purpose today is not to criticize President Obama. He deserves my silence.

George W. Bush
Former US President



Left leaders obstructed the recent Nuclear deal with the US at the behest of China.

Amar Singh
General Secretary Samajwadi party

GLOBAL TERRORISM & ECONOMIC ACTIVITY

Menace of terrorism has by now taken monstrous proportion affecting almost every country in the world. It no longer is a country or region specific bottleneck. Terrorism is now a global occurrence. Over the years the terrorist threat has evolved as the major risk not only to the life and property of the civilized society; it in fact has developed exponentially in every direction and hitherto unknown manifestations upsetting every facet of people's lives. Economy of the country is also affected very badly. The economic impact of terror related violence is not limited to commotion of economic activity in the area where the terror related incident occurs; it actually has begun to disrupt planning, execution and entrepreneurial spirit as a whole. It is an established fact that targets by terrorists are often chosen as much for their economic impact as well as their symbolic significance and ability to sow fear and popular discontent.

Economic terrorism, according to security experts, particularly became the vogue in the 1980s and thereafter. Even though some like to include the Social Revolutionary Party that operated in Russia before World War I in list of outfits that used terrorism as a means to discourage investment in industry and to disrupt agricultural production. The fanatics resorting to economic terrorism, experts say, tend to calculate that the States would be more inclined to concede their demands when threatened with major disruptions of their economy than when confronted with large civilian casualties, but with no economic damage. Terror organizations also surmise that the investments in economic activity provides jobs and other benefits that reduces popular dissatisfaction in the region and help to pacify the population - a condition incongruous to the perpetrators of the crime and their doctrine. Among the general economic effects, opportunity costs are clearly among the most significant. Financial obligation to security consuming scarce national resources is another ever increasing burden. Terrorist threats induce higher levels of uncertainty. Terrorism calls for increased counter-terrorism expenditure, drawing resources away from productive sectors for use towards security. It is known to affect specific industries such as tourism negatively.

India has been facing terrorist violence for a long period now. Terrorism in India is primarily attributable to Islamic, Naxalite and various other radical movements. But there are credible reports about the nexus between various terror organizations active globally. At least half of the country's 608 districts are afflicted, at differing intensities, by terrorism. Further agonizing is the treacherous neighborhood. Over a period of time terrorism has severely affected Indian economy. Led by Pakistan, the born anti-India country, remaining states in the immediate vicinity has become tools in the hands of global powers inimical to Indian emergence as a global power. Economic targets have been particularly identified in India because it serves its enemies to disrupt the pace of economic activity in this country. Ever since Pakistan started lagging behind India in economic terms and the latter's economy started taking off, jihadi terrorists have targeted economic centres and institutions. With the developments in Pakistan changing fast towards the collapse of the state and almost imminent overtake of the state apparatus by the disruptionist forces led by Taliban, risks for India are going to multiply. Prospect of the presence of nuclear weapons in the hands of these uncontrolled and illegitimate brutes by design or accidentally has changed the very nature of threat and unimagined destruction is now in the realms of possibility. Use of armed radicals by the state of Pakistan as state policy is another significant aspect of the emerging scenario.

Nation and international community will have to rise to the occasion. It is not an ordinary situation. Extraordinary steps are needed to meet the challenge. First step in that direction will be to recognize the threat posed in its entirety and identify forces responsible for the same. Alliance to counter the threat will surface involuntarily.



Beginning with outright dismissal of the figures Bharatiya Janata Party (BJP) leader L.K. Advani has furnished of black money Indians have stashed away abroad as 'bogus' Dr. Manmohan Singh, the economist Prime Minister of India has now not only accepted its existence, but has gone far ahead to claim, "We will take definite steps within 100 days (of the new government) to recover this black money". Why not to begin the process now asks
Ajay Bharti

Why wait for a Re-election, Why not now? Mr Prime Minister.

Speaking to media after casting his vote Prime Minister said, "I am not denying the existence of such black money abroad. How much in Swiss banks, how much in tax havens, its magnitude — no one knows about it."

That his bringing back the money within 100 days after re-election remark has drawn complete flak from the people as is evident from the reactions on net from across the world is a different matter. We will like to draw the attention of our readers to an elementary question of accountability. Do the people of this great country realize that politicians are accountable to them? Manmohan Singh on several occasions said Advani's figure of up to \$1.4 tril-

lion of black money being stashed by Indians in Swiss banks and other tax havens was 'bogus'. He accused BJP of suffering from 'bankruptcy in economic thinking'. At an interaction with women journalists on April 10 he claimed that, at G-20 summit in London every effort was made to ensure that the banking system functions as openly as possible'. What was the effort and subsequent result? Prime Minister revealed, "The tax havens are being asked to function in a manner which will ensure that people who want to keep their black money will find it difficult to do so. If the G-20 initiative succeeds, and that is only possible if there is an international agreement, then we will push for it."

So he was telling us that G 20 not GOI will try to make it difficult for people to keep black money in tax havens. On 22 April 2009 the Prime Minister's government told the Supreme Court that it was 'not sitting idle over the issue of retrieving over Rs.70 trillion of Indian black money stashed in various foreign banks and will detail the actions taken in this regard within "48 hours"'. Additional Solicitor General Gopal Subramaniam asserted before a bench of Chief Justice K.G. Balakrishnan, during the hearing of a lawsuit that accused the government of being oblivious to black money stashed away by tax evading citizens in foreign banks, that the government had written to the German govern-



S Gurumurthy, the leading chartered accountant who is also the convener of the *Swadeshi Jagran Manch*, is a member of the taskforce created by the *Bharatiya Janata Party's* prime ministerial candidate *L K Advani* to bring back the black money stashed away in various banks outside India if the *National Democratic Alliance* is voted back to power.

The first report by the taskforce was released a few days ago. Other than Gurumurthy, those involved in the preparation of the report was former *Intelligence Bureau* director *Ajit Kumar Doval*, *Dr R Vaidyanathan* from the *Indian Institute of Management-Bangalore*, and lawyer *Mahesh Jethmalani*, the *BJP* candidate from the *Mumbai North-Central constituency*.

In 5 years, Indians stashed Rs 688,000 cr illegally'

Q. You are part of the taskforce created to bring black money back from secret bank accounts abroad. The BJP has made it an election issue. Were you instrumental in getting Mr Advani to take up the issue?

A. This is a subject I have been working on since 1986. In fact, I was even arrested because I was trying to dig into the secret accounts of the Gandhi family. I have always been talking to many politicians on this subject; I had also spoken to the BJP.

At that time, it was more ideal to work on it than anything practical. It is not that India on its own can prevent global black money being generated, because there are countries which help the generation of black money by their laws, and Switzerland is the most important of them.

These countries provide secrecy, and anybody can go and deposit money incognito. Their laws prohibit the disclosure of names. Only rarely, where you can link the money to corruption or drugs, is it possible to trace the flight of capital. For that, they have treaties with different countries, including with India. But you need to know the name of the criminal and his account number to ask for the details.

It has always been a question on the minds of the Indian people and also those keen on establishing the amount of money that has gone there, but there was no proper estimate. But this has always been a topic of debate in the minds of those who are interested in the country.

Q. Why did the BJP decide to take it up as an issue now?

A. It is essentially because of the turn in the Western nations' approach to secret banking due to the economic crisis in the West. The West began feeling the pinch of secret banking. They felt that the financial system is getting destabilised because of the generation of black money.

Black money in the West is not as much flight of capital as it is evasion of taxes. In India, it is both black money and flight of capital.

Q. Were the recent developments in Germany, with its authorities asking for the secret names, the turning point?

ment, seeking details of Indian citizens possibly having secret accounts in foreign banks. This he said was done within 24 hours after a leading financial daily published a report in February 2008 that a former employee of the LGP bank in Liechtenstein had

sold data on about 1400 people to tax authorities across the world. And now PM himself declares that he will bring the money back in 100 days. Does that sound funny? No it is not fun. Dr. Manmohan Singh was not joking. He belongs to a party that has mastered the art of

sticking to power. People's perception or sentiments leave alone their aspirations don't count. Skill is to shout loudly whatever you have to say, even if the content is rubbish speak skillfully and shout down opposition by accusing them on one or the other count.

The GFI study only indicated the magnitude of the problem. It says between 2002 and 2006, the amount of money stashed away from India would be on an average \$27 billion a year and totally about \$137.5 billion which is equal to Rs 688,000 crores in just five years.

A. The Germans took the step of bribing a bank official of the LGT Bank in Liechtenstein by paying \$6 million. They got a secret CD containing 1,500 names of people who have stashed away money, and nearly 500,600 of these were Germans. They acted against them, which included the head of the German postal system. Then they told the entire world that anyone could ask for the names and if the names of those countries' nationals were there, they would part with it free of cost. All the countries made a request, but not India. So, Advaniji wrote a letter in April last year, but an evasive reply was given. Three other things also happened. One, after Germany acted very powerfully, there was a big diplomatic row between Liechtenstein and Germany. Liechtenstein is a place from where secret trusts are created and monies are deposited into Switzerland. It is a principality. Then, Germany took up the issue in the Organisation for Economic Cooperation and Development's 17-nation platform (Switzerland is one of them) and asked for blacklisting and sanctions against Switzerland. France also joined Germany. This happened some time in October last year. Switzerland did not know what to do then and they began lobbying. France and Germany then took it to the G-20 preparatory meeting. They

said at the G-20 meeting on April 2 that they were asking for blacklisting of and sanctions against Switzerland and all those countries that were not cooperating.

Q. So that was why Mr Advani wanted Prime Minister Manmohan Singh to raise the issue at the G20 meet?

A. At that time Advaniji felt as the PM was attending the April 2 meeting, he should take up this issue. But our people remained silent at the G-20 preparatory meet.

See what India did. We didn't forcefully ask the Germans to give us the particulars. When Germany and France took up the matter in the OECD, we didn't welcome it. When they took up the matter in G-20 we did not support them or join them. So, from all this arose a big question, whether the government was at all interested in working against illicit Indian monies abroad. That is why Advaniji took up the matter. As the government did not take it up, the BJP had to take it up as an electoral issue.

Q. The Congress said Mr Advani was lying...

A. It is like this: A theft has taken place, and you are arguing about how much has been stolen. Nobody denies the theft! Nobody denies the loot!

Q. How much black money from India must be there in the secret Swiss accounts?

A. A global study was conducted by an expert, Raymond W Baker, which we have quoted in the report. He published a book in 2005, Capitalism's Achilles Heel: Dirty Money And How To Renew The Free Market System.

After 2001, secret money became an issue of security. So America became worried about terror funding which takes place only through se-

That is what exactly is being done. First the attempt was made to dismiss the issue as spurious, un-authentic and not so important. But relentless persuasion by highly regarded opinion makers forced the party in power to change the stance. Now it seems that congress

finds it difficult to deny the issue and is hence trying to woo people by declaring that they will bring the money back.

The lawsuit pending in Supreme Court was filed on 21st of April jointly by former law minister Ram Jethmalani, former Lok

Sabha general secretary Subhash C. Kashyap and former Punjab Police chief K.P.S. Gill.

The lawsuit is based on a research article written by noted economist and Bangalore's Indian Institute of Management professor E. Vaidyanathan for the institute's in-

cret banking channels.

His book estimated the black money to be \$11.5 trillion which is increasing at the rate of \$1 trillion every year, out of which \$500 billion is stolen from developing countries.

Q. Is the report one of the reasons why the BJP decided to raise the issue?

A. That alone would not have helped. The change in the economic situation made the Western countries try to break banking secrecy. That was the most important point. US President Obama has proposed a law to break the secrecy. Like I said earlier, you have to join forces at the global level as the battle needs to be fought at the global level. That is the reason why the BJP decided to take it up.

The GFI study only indicated the magnitude of the problem. It says between 2002 and 2006, the amount of money stashed away from India would be on an average \$27 billion a year and totally about \$137.5 billion which is equal to Rs 688,000 crores in just five years. So, the fact of the loot can never be disputed.

What the Congress is trying to do is to dispute the maths of the issue. The fact is, whatever the amount be, it is very big.

Q. Why do you think the Congress is not taking up the issue?

A. Obviously, a large part of it must be Congressmen's money, they have ruled the country for 50 years. Why did Sonia Gandhi not speak on this subject? She is said to be a close friend of Ottavio Quattrocchi and it has been established that he had received bribe money from Bofors through secret banking systems and tax havens. The Central Bureau of Investigation successfully traced the money and kept it frozen. He was allowed to leave India first and then take

People will be more conscious of their surroundings, their people, their family and their society first, and not the distant world. The distant world is good for a visit, but not for domicile.

the money back.

I believe the lead family of the Congress party is a suspect in the matter of foreign money and that is why the family doesn't want the banks' secrecy to be unveiled.

Their friends are the only people who have been caught so far. No other Indian has been caught except the people associated with the Gandhi family in the Bofors scandal.

Q. What are the taskforce's plans?

A. First, he (Advani) wanted us to find out what the global position was. That is the first report we gave. We have said it is doable if we work on an appropriate strategy. We have to also generate a national consensus and arouse a high level of consciousness among the people about the issue.

Q. Is that the reason why a survey was conducted in Gujarat on black money in secret bank accounts?

A. Yes, the BJP wants to make people to proactively think and participate in the campaign.

Q. You are talking about huge sums of money. If at all we manage to bring it back to India, what do you say India should do with it?

A. Even if 25 per cent of what they are talking about comes back, India's rating will go up because it's our own money and not borrowed money. It can transform the economic person-

house journal Eternal India.

Vaidyanathan has estimated that "between 2002 to 2006, \$1.4 billion, roughly equivalent to Rs.70,00,000 crore (Rs.70 trillion), have been siphoned off from this country and stashed away in foreign banks".

Pointing out that the Indian government was fully aware of the offshore flight of the country's money, the lawsuit said that former finance minister and present Home Minister P. Chidambaram had publicly acknowledged this

Vaidyanathan has estimated that "between 2002 to 2006, \$1.4 billion, roughly equivalent to Rs.70,00,000 crore

<p>ality of the nation.</p> <p>The BJP manifesto says if the money comes back, it will be used for fundamental purposes like rural roads, schools, poverty alleviation and things like that. It will be used for social causes and not building airports.</p> <p>Q. Will the current global recession make people look at globalisation from a different perspective?</p> <p>A. Capitalism will undergo a lot of changes because today's capitalism is not what Adam Smith conceived or Karl Marx opposed. Today, capitalists are not the people who handle capital; it's the professionals. It's somebody else's money that the professionals are handling. So, it is not capitalist's capitalism; it's professionals' capitalism.</p> <p>Now, a further change that has taken place is, it is not actual money, but virtual money that is being used. Imaginary money has been created by brain power and that is put to use as real power. That is the crisis today.</p> <p>This kind of capitalism will be gone and the original capitalism where 'I look after my wealth' will come back again. That is good for the world. This other man's money I handle which has promoted the expenditure-driven market mechanism is a product of neo-capitalism.</p> <p>Banking secrecy was considered one of the virtues of capitalism. Now, they call it an evil! This is the U-turn in one year!</p> <p>Q. In one of your earlier interviews, you told rediff.com that globalisation was not sustainable.</p>	<p>A. Who is talking about globalisation today? Today, it's just not environmentally, ecologically and culturally sustainable. I have always maintained that it was not economically sustainable, because it is contrary to the very meaning and definition of economics which is associated with frugality.</p> <p>It is an executive class economics different from the economy class which brings out the difference between economics and excessiveness.</p> <p>Moreover, globalisation disregards the existence of countries; they talk about a global society, global rule, global citizens, global villages, etc. It was an absolutely idealistic idiosyncrasy. That is gone.</p> <p>Who is talking about the WTO? I told you long ago that the WTO will not last. If you create an artificial structure, it will not stand. People in different parts of the world have their own models of living; you cannot homogenise them, make them wear the same dress, eat the same food, or see the same cinema or have the same goals. This is what West-centric globalisation attempted, and got the first taste of it in the last four, five years.</p> <p>Q. Will people start thinking in terms of Swadeshi?</p> <p>A. People will be more conscious of their surroundings, their people, their family and their society first, and not the distant world. The distant world is good for a visit, but not for domicile.</p> <p><i>In this exclusive interview with Shobha Warrier of rediffmail.com, Gurumurthy discusses tax havens, secret bank accounts & what the task force's plans are.</i></p>
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fact and admitted it in a communication to Advani. The lawsuit said that despite this admission, the government took no step to retrieve the black money stashed abroad.

Allaying suspicions that the lawsuit might have been filed to further the political agenda of BJP's prime ministerial candidate Advani, senior counsel Anil B. Divan told the court that the case



had no political links. He said the lawsuit attributed the government's lack of interest in taking steps to retrieve the black money to "the fact that influential politicians of most political parties are involved in the offence" of stashing the country's wealth in foreign banks.

Expressing concern over the Indian government's apparently lackadaisical attitude

in getting after offenders who have cheated the tax authorities of millions of dollars is quite surprising and the Indian chapter of TI - an organization campaigning to reduce corruption - has urged the government to take all necessary steps to seek the data.

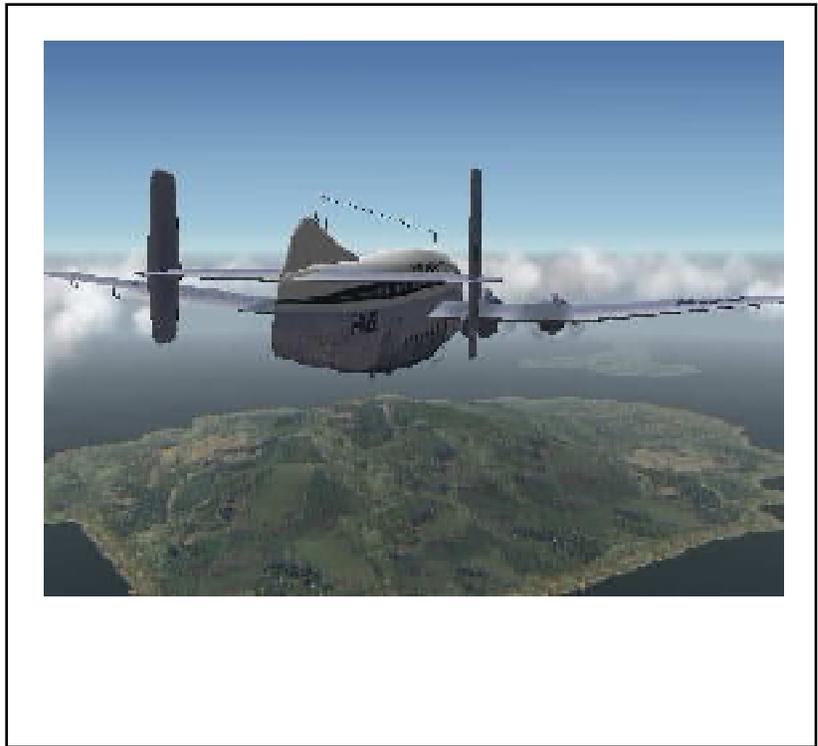
Admiral R H Tahiliani, chairman of TI India and a former navy chief, said: "This money belongs to the people of India and it is possible that it has been tucked away in this distant country by those who have acquired it illegally and are now evading taxes.

"There should be complete transparency and accountability about this money and it is for the government to find this out and inform people," Admiral Tahiliani, said, referring to the black money stashed away abroad.

Indeed, the offer looks too good to refuse. It is a bit like being served secrets on a platter and if the government does not waste time looking a gift horse in the mouth, it could get data that might otherwise never be accessed given the laws that protect tax havens that often require specific proof of criminality.

Suspecting that the government's chariness could stem from fears that influential politicians and industrialists might be compromised by the Liechtenstein data, TI has, in a statement, said: "It is alleged that this money belongs to rich and powerful politicians, industrialists and stock brokers and that is why the reluctance on the part of government of India (to get details from Germany)."

Liechtenstein, like Switzerland, St Kitts, Canary Islands, Antigua and Bahamas, has been a ha-



ven for wealthy people to hide their ill-gotten wealth away from the prying eyes of tax authorities. Referring to reports, TI mentioned that German intelligence agency - BND - has details of about 800 clients of LTG Bank - run by Liechtenstein's ruling dynasty - and prosecutors are using this information to target suspected tax evaders.

"The ministry of finance and PMO has, however, not shown

'Well for sure no one can force the government to get the names and details, also media will be tight lipped in a day or so, coz, media is also going to be controlled.'

much interest in finding out about those who have their lockers on the secret banks of Liechtenstein which prides itself in its banking system," TI said.

Referring to such banking systems, TI also said that secretive and non-transparent tax havens could be used for money that is related to drugs and terrorism. These accounts have been frequently used to channel money for purchase of arms.

'Well for sure no one can force the government to get the names and details, also media will be tight lipped in a day or so, coz, media is also going to be controlled. So try to forget about this as well like any other news' comments one of the writers on this story. This is indicative of the cynicism in the country. Will things change for better this time? Will people use their power to force politicians to mend their ways? Let us wait and watch.

A wish list for the Third Front

Indian voter seems set to apply brakes on the parties supporting pro-rich pro-West model of development. Concerns like instability, flight of foreign capital and energy crisis are baseless as country may face short term economic upheaval but that will become the basis of changing course towards a long term sustainable development model thinks **Dr Bharat Jhunjunwala**

The passengers are much agitated when the fast-running bus suddenly comes to a halt. But they thank their stars when the conductor tells them they were going the wrong way. The country's economy is likewise moving fast in anti-poor and pro-rich country direction. The common man, it seems, has applied the brakes. The rich passengers of the bus of fast-running Indian economy are much agitated. But they will thank their stars when it dawns upon them that the Indian economy was moving along a crash course. The common man was becoming restive as seen in increasing attacks by Naxalites. The brake applied by the present elections may help correct this wrong course and lead India in the correct direction. Thus, this writer

welcomes a greater role for the Third Front in the running of the country after the elections.

The common man does not exist in the radar of the BJP. Prime Minister Vajpayee was content flaunting false government statistics about generation of employment. He was not willing to listen to even friendly critics-so enam-

oured was he with his IAS cronies. The Congress has done no better. It has given green light to the eating of jobs by big companies. It has supported forcible land acquisitions for SEZs. It is promoting hydropower projects that impose unrecorded costs on the people while providing booty to dam companies. The tyranny of the market unleashed by the Congress has dec-

imated the livelihood of the farmer, weaver, cobbler and potter. The voter sees the Employment Guarantee Scheme as a half-hearted effort to apply bandages to the wounds inflicted by the selfsame government. This is the ugly 'human face' of the party.

The second source of dissatisfaction is the sacrifice of nation's self esteem. The BJP had done well in making the nuclear explosions and fighting the Kargil war. But this was diluted somewhat by it implementing the IMF agenda. Vajpayee, for example, found the time to release a book written by IMF officials but not to release a book on Swami Vivekananda. Congress has followed the rich countries' agenda even more vigorously. It has opened the economy to multinationals and made the nuclear agreement. This loss of self esteem has not gone well with the voter.

The third area of dissatisfaction is religious schism. The Congress has not displayed respect towards the Sikhs and BJP towards the Muslims. The BJP has not even been respectful towards the Hindus. It first initiated breaking of the



The tyranny of the market unleashed by the Congress has decimated the livelihood of the farmer, weaver, cobbler and potter.

Ram Setu and has now taken a vow to kill the Ganga. For these reasons the voter is set to apply the brake on the two major parties. This will be good for the country because it will force a rethink on the pro-rich pro-West model of development that the BJP and Congress are implementing.

The upper classes of the country are nervous about increased role of the Third Front after the elections. First concern is with regard to stability. The market has not forgotten the two years of unrest that followed reservations for OBCs initiated by the V P Singh Government. But the market is short-sighted. It fails to appreciate the fact that India has been saved from domestic unrest of the type that has engulfed Nepal, Pakistan and Sri Lanka, in part, because of these caste-based reservations. Caste-based politics has provided a safety valve for expressing one's dissatisfaction. The present model of development has failed the common man. The upper classes have their air-conditioned malls but the common man is losing his job. The BJP and Congress have no road map for reaching the fruits of development to the common man. It is likely that the Third Front will take measures that will provide such relief and, in the process, create instability for the present and stability in the long run, just as OBC reservations have done.

Second fear is about fleeing of foreign investors. This fear is baseless in my reckoning. Similar fear was expressed after the nuclear explosions. The foreign investors did not flee, however. Their eyes are focused on the fundamentals of the host economy. India's

The nuclear deal may be scrapped or put in cold storage. This too will be harmful only in the short run. Such a policy will push us to develop the technology for the development of thorium-based energy.

strength is the combination of advanced technologies and cheap labour. This will stick. Further, the so-called receipt of monies from foreign investment is to be put in perspective. According to Global Development Finance report of the World Bank, since 2003 the developing countries are exporting more capital through black money and for accretion of foreign exchange reserves than they are receiving through foreign investment. Third Front is likely to arrest the outflow of this money. That will more than make up for the loss of foreign investment.

Fear is that a Third Front Government will not be able to work shoulder to shoulder with the world leaders to manage the global economic recession. My take is altogether different. The fact is that India and China are the root cause of the world economic crisis. Rich countries are not able to compete with the cheap goods made by us and, therefore, not able to sustain the high incomes of the yesteryears. The breakdown of the rich countries and rise of China are, therefore, two sides of the same coin. We

will do well to let the economy of the rich countries sink while we build our fort. Let us not sink our economy by clinging to their sinking boat. Let us not try to resuscitate the rich countries. The wise man shuts the windows of his house during a storm outside. Likewise we must shut ourselves from the world economy and save ourselves while they sink. This is in tune with the anti-West stance of the Third Front.

The nuclear deal may be scrapped or put in cold storage. This too will be harmful only in the short run. Such a policy will push us to develop the technology for the development of thorium-based energy. It will also lead to greater effort to develop the renewable sources of energy such as wind and solar. More importantly, an 'energy crisis' will force us to put the correct price on energy, and force us to reduce consumption in tune with the capacity of the earth. Thus the short term troubles will force us to adopt a long term sustainable development model.

The country will certainly face short term economic upheaval with increasing clout of the Third Front. But, in my reckoning, this will become the basis of changing course towards a long term sustainable development model. It matters little whether the influence of the Third Front will sustain. Even a temporary stop will give us an occasion to examine whether we are on the right course. The upper classes should know that stability of the country is today threatened by increasing inequality and unemployment. It will suffice if Third Front influence helps deal with this.

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Repercussion of Satyam Fraud

*The present structure of regulatory agencies seems to be devoid of sufficient provisions to avoid Satyam like frauds. There is an urgent need to make suitable changes in the constitution and powers of these agencies. Bringing private sector companies having business more than Rs. 1000 crores under the scanner of CAG, can be one way of putting a stop to these frauds, suggests **Dr. Ashwani Mahajan***



On April 13, 2009 Tech Mahindra registered its claim on Satyam computers by bidding for 31 percent stake in the company at rupees 58 per share. This puts on rest all speculations about the future of Satyam computers. Indian share market, already plagued with the virus of global economic recession came got shattered when CEO of Satyam computers conceded that he manipulated company's account to the tune of Rs. 7000 crores in the past few years; such that cash and bank deposits reflected in the accounts, actually do not exist. This

was not limited to share markets alone; in fact, the whole nation lost faith on genesis of corporate governance by this episode.

Earlier common belief was that private sector companies could take care of themselves on their own. Corporate governance is capable of handling any eventuality. Representatives of public sector financial institutions and independent directors have always been on the board of directors of these private sector companies. In addition to this, various regulatory bodies such as company Law Board,

Securities and Exchange Board of India (SEBI) also keep vigil on the activities of the companies. For all these reasons corporate governance was claimed to be complete in it and it was argued that there is no need for any intervention in the management of these companies on the part of the government. In Addition to the well-placed institutional mechanism as enumerated above, these companies get their accounts audited from auditors of international standards. Thus in this process accounts of these companies are also thoroughly inspected.

However, this well placed faith in corporate governance was shattered by the exposes of Satyam. We understand that any kind of report could be obtained from auditors by luring them, including giving exorbitant fees (in this case auditors were given a fees of rupees 4.3 crores, whereas normal fees was rupees 2 crores). This fraudulent behavior of auditors is not limited to Satyam only. In fact, there are examples of hundreds of such frauds in India and all over the world helped by auditors. Frauds committed by Arthur Anderson, which lost its existence by manipulating accounts of En-

ron, grant of AAA rating to the companies under deep financial crisis and ultimately filing for bankruptcy by Price Waterhouse Cooper, (which incidentally is also auditor of Satyam), are already in public knowledge. In addition to this, 'dependence' of 'independent' directors on company's management is also well known. Failure of SEBI and Company Law Board is also well known.

Under these circumstances, the government reconstituted the Board of Directors of Satyam computers, by including in personalities from IT sector, corporate sector and the legal luminaries. Offers were invited from willing parties to take over the management of Satyam in a transparent manner. In the process a leading construction and engineering company Larsen and Toubro and leading IT and software company Tech Mahindra, which is a joint venture of British Telecom (BT), a UK based company and Mahindra and Mahindra, participated in the bidding. Tech Mahindra emerged as the successful bidder by offering the highest bid of Rs. 58 per share.

Future of Satyam and Tech Mahindra

Tech Mahindra which at present is sixth largest IT and software company would become fourth largest company in the field after taking over Satyam. After the takeover biggest challenge before Tech Mahindra would be to maintain client base of Satyam, apart from dealing with the obstacles to the growth of IT sector due to the recessionary trends. Tech Mahindra will also have to deal with cases of fraud against Satyam abroad. After a new offer of Tech Mahin-

In Addition to the well-placed institutional mechanism as enumerated above, these companies get their accounts audited from auditors of international standards.



dra, which was much higher than earlier offer of Rs. 45.90 of Larsen and Toubro, share markets responded quickly by showing a general uptrend. Market seems to be confident about the future of Satyam after its take over by a leading software company. Even Larsen & Toubro is not willing to off load the 12 percent stake in the company, which it had purchased in anticipation of its success in bidding, as L&T is confident that share prices will go up after the take over.

Lessons for Future

Maturity of Indian legal and political system is very well demonstrated by the fact that in just 3-4 months of the fraud, not only that Board of Directors was reconstituted but also even the process of handing over the same to the new company was almost completed in most transparent manner. In

the process due consideration was also given to the fact that the new incumbent meets the requirement of possessing essential experience and capabilities to run the fraud stricken company.

However, the problem is seemingly solved for the time being but this is also correct that regulatory agencies like SEBI, independent directors, Company Law Board, Auditing firms etc. have all proved to be incapable of handling such situations. Finding solution to the problem arising out of Satyam fraud does not in anyway provide any guarantee against repetition of such frauds. Incapability of the regulatory agencies has been sufficiently proved in earlier cases such as Harshad Mehta fraud, Ketan Parikh fraud etc. This does not mean that officers of these regulatory agencies are incapable. It seems that the present structure of these regulatory agencies is devoid of sufficient provisions to avoid such frauds. Thus, there is an urgent need to make suitable changes in the constitution and powers of these agencies.

The government also has to ensure the safety of the investment of the public sector institutions and the public in big companies of private sector. We understand that Comptroller and Auditor General of India (CAG) audits public sector companies' accounts. This is also a fact that in the past there has never been a fraud to this magnitude. We can make suitable changes in the law, bring private sector companies having business more than Rs. 1000 crores under the scanner of CAG, and thus put a stop to these frauds.

Do GM Crops Increase Yield? The Answer is No

Monsanto's claims about GM crops increasing yield is simply flawed. It can't be taken lightly anymore. I am not only shocked but also disgusted at the way corporations try to fabricate and swing the facts, dress them up in a manner that the so-called 'educated' of today will accept them without asking any question, fumes **Dr Devinder Sharma**

Lies, lies and damn lies. Tell a lie a hundred times, and the chances are that it would appear to be a truth. Monsanto makes that effort, probably for the umpteenth number of time. And the chances are that you too could be duped to accept these distortions as truth.

My attention has been drawn to an article "Do GM crops increase yield?" on Monsanto's web page. I must confess this is first time I am visiting Monsanto's site. This is what it says: Recently, there have been a number of claims from anti-biotechnology activists that genetically-modified (GM) crops don't increase yields. Some have

claimed that GM crops actually have lower yields than non-GM crops.

Both claims are simply false.

And then, it goes on to explain what germplasm is, what breeding, biotechnology is, and finally comes to yield. This is what it says:

The introduction of GM traits through biotechnology has led to increased yields independent of breeding. Take for example statistics cited by PG Economics, which annually tallies the benefits of GM crops, taking data from numerous studies around the world:

Mexico - yield increases with herbicide tolerant soybean of 9 percent.

Romania – yield increases with herbicide tolerant soybeans have averaged 31 percent.

Philippines – average yield increase of 15 percent with herbicide tolerant corn.

Philippines – average yield increase of 24 percent with insect resistant corn.

Hawaii – virus resistant papaya has increased yields by an average of 40 percent.

India – insect resistant cotton has led to yield increases on average more than 50 percent.



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Crop losses have been very cleverly repacked as yield increases. What Monsanto has done is to indulge in a jugglery of scientific terminologies, and taking advantage of your (People's) ignorance, to build up on claims that actually do not exist.

This is not amusing. It can't be taken lightly anymore. I am not only shocked but also disgusted at the way corporations try to fabricate and swing the facts, dress them up in a manner that the so-called 'educated' of today will accept them without asking any question.

At the outset, Monsanto's claims are simply flawed. I have seen similar conclusions, at least about Bt cotton yields in India, in an IFPRI study. But then, I have always been saying that IFPRI is one organisation that needs to be shut down. It has done more damage to developing country agriculture and food security than any other academic institution.

Nevertheless, let us look at Monsanto's claims.

The increases in crop yields that it has shown in Mexico, Romania, the Philippines, Hawaii and India are actually not yield increases. In scientific terms, these are called crop losses, which have been very cleverly repacked as

yield increases. What Monsanto has done is to indulge in a jugglery of scientific terminologies, and taking advantage of your ignorance, to build up on claims that actually do not exist.

As per Monsanto's article: The most common traits in GM crops are herbicide tolerance (HT) and insect resistance (IR). HT plants contain genetic material from common soil bacteria. IR crops contain genetic material from a bacterium that attacks certain insects.

This is true. Herbicide tolerant plants and insect resistant plants in a way perform the same function that chemical pesticides

no other option but to also buy the companies own brand of herbicide. Killing two birds with one stone, you would say. Exactly.

GM companies have only used the transgenic technology to remove competition from the herbicide market. Instead of allowing the farmer to choose from different brands of herbicides available in the market, they have now ensured that you are left with only Hobson choice. The use of herbicide therefore does not come down. Several studies have shown conclusively that the use of herbicide in the US for instance actually has gone up.

Now, the question that needs to be asked is that if the chemical herbicide — Roundup Ready — that Monsanto's herbicide tolerant soybeans use, increases yield than how come the other herbicides available in the market do not increase yield? Since all herbicides do the same job — killing herbs, all herbicides should be therefore increasing crop yields. Am I not correct? Why do then we only think that Roundup Ready soybean (which is a GM crop)

increases yields, whereas other do not?

When was the last time you were told that herbicides increase crop yields? Chemical herbicides are known to be reducing crop losses. This is what I was taught when I was studying plant breeding. And this is what is still being taught to agricultural science students everywhere in the world.

Similarly for cotton. We all know that cotton consumes about 50 per cent of total pesticides



do. Both the GM plants and the chemical pesticides reduce crop losses. Come to think of it. Doesn't the GM plants work more or less like a bio-pesticide? The insect feeds on the plant carrying the toxin, and dies. Spraying the chemical pesticide also does the same.

In the case of herbicide tolerant plants, it is much worse. Biotech companies have successfully dove-tailed the trait for herbicide tolerance in the plant to ensure that those who buy the GM seeds have

sprayed. These chemical pesticides are known to be reducing crop losses. For the kind information of Monsanto (and I am sure they will agree to it without any question) pesticides do not increase crop yields, and I repeat DO NOT increase cotton yields.

Monsanto's Bt cotton, which has a gene from a soil bacteria to produce a toxin within the plant that kills certain pests, also does the same. It only kills the insect, which means it does the same job that a chemical pesticide is supposed to perform. The crop losses that a farmer minimises after applying chemical pesticide is never (and has never) been measured in terms of yield increases. It has always been computed as savings from crop losses.

If GM crops increase yields, shouldn't we therefore say that chemical pesticides (including herbicides) also increase yields? Will the agricultural scientific community accept that pesticides increase crop yields?

That brings me to another relevant question: Why don't agricultural scientists say that chemical pesticides increase crop yields?

While you ponder over this question (and there are no prizes for getting it right), let me tell you that the last time the world witnessed increases in crop yields was when the high-yielding crop varieties were evolved. That was the time when scientists were able to break through the genetic yield barrier. The double-gene and triple-gene dwarf wheat (and subsequently the same trait was induct-

ed in rice) brought in quantum jumps in the yield potential. That was way back in the late 1960s. Since then, there has been no further genetic break through in crop yields. Let there be no mistake about it.

Monsanto is therefore making faulty claims. None of its GM crop varieties increases yields. They only reduce crop losses. And if Monsanto does not know the difference between crop losses and crop yields, it needs to take lessons again in plant breeding.

But please don't fool the world. Don't distort scientific facts.

For the record, let me also



state that when Bt cotton was being introduced in India in 2001 (its entry was delayed by another year when I challenged the scientific claims made by Mahyco-Monsanto), the Indian Council for Agricultural Research had also objected to the company's claim of increasing yield. It is however another matter that ICAR's objections were simply brushed aside by the Department of Biotechnology, and we all know why.

Interestingly, ISAAA and sev-

Monsanto is making faulty claims. None of its GM crop varieties increases yields. They only reduce crop losses.

eral consultancy firms (how can you believe them after their role in the economic collapse the world is faced with) have been claiming that cotton yields in India have gone up after Bt cotton was introduced.

Not only for Bt cotton, such claims are made about other crops too. I have seen this happening for the

past two decades, whenever the crop yields are higher the scientists and the companies take credit. But when the crop yields are lower the blame invariably shifts to weather. And it makes me wonder why don't the scientists pat the weather at times of bumper harvest? You guessed it right.

At least I have never seen scientists and companies thanking the weather for record harvests. A former Indian Agriculture

Minister Mr Chaturanand Mishra always used to say that he is not the Agriculture Minister, the real Agriculture Minister is Mr Monsoon.

This year, cotton production estimates in India have been scaled down by 14%. Using the same yardstick, does it not mean that productivity of Bt cotton is falling? No, how dare you say that. The fault is not of Bt cotton, but you guessed it right—inclement weather.

Nobel Laureate from Bangladesh and founder of the Grameen Bank, Muhammad Yunus called for strengthening the micro-finance movement particularly in developing countries as one of the options to counter the fallout of the recent global financial crisis. He

said that appropriate regulations should be put in place to facilitate the growth of this 'social business'.

Saying that micro-finance movement needed to take deeper roots in India, Yunus added that "India should set up an appropriate regulatory authority for micro-finance institutions (MFIs) Regulations for banks and MFIs should be different as MFIs cater to the poor and should be regarded as a social business as distinguished from the purely commercial banking operation."

According to Yunus, MFIs should be self-sustaining and be allowed to attract deposits and provide insurance and pension fund and as well as capacity building. He said that if MFIs are owned by borrowers there should be no payment of license fees. MFIs can source funds from banks. He was, however, not in favour of MFIs sourcing funds from outside the country. Funds should be preferably mobilized locally and distributed locally.

Defining micro-finance movement as 'social business', he said that in case of MFIs there should not be any scope for individual profit. All profits should be ploughed back to the MFIs for

Micro finance can bail out eco crisis: Yunus

Appropriate Regulations should be put in place to Facilitate the growth of this 'Social Business' (Micro Finance Institutions), pleads Muhammad Yunus

I ASHOK B SHARMA I

meeting the costs of transactions. The interest rates should be preferably lower. MFIs should ultimately be owned and operated by borrowers as is in the case in Bangladesh.

He defended that loans with interests charged by the Grameen Bank was not against the principles of Islam as the bank was owned and operated by borrowers. He said that loans were given to students

Banking regulations should clearly distinguish between gambling and business.

in Bangladesh, most of who have opted to become entrepreneurs after completion of their study. Interest free loans amounting to 1000 taka were given to 100,000 beggars out of which 15,000 of them have stopped begging and set up small business. Yunus was in India for participating in the one-day national micro-finance conference organized by the apex body, Sa-Dhan in Delhi.

Bangladesh has set up a regulatory authority for the Grameen Banks and another legislation for approval of MFIs as social banking institutions is pending for approval. In India a Bill for regulation of

MFIs has been pending in Parliament since 2007. The proposed legislation has been delayed on the issue of lowering of interest rates. The joint secretary in the banking division of the Union finance ministry, Amitabh Verma said, The government is very keen on MFIs lowering

their interest rates. The MFIs should carry out their operations without any subvention of interest rates by the Government.

Yunus squarely held the global banking and financial institutions responsible for the current global economic crisis as they have befooled the investors through mere paper transactions. Banking regulations should clearly distinguish between gambling and business. There should be proper in-built mechanism to prevent business running into trouble. There should be insurance schemes for protecting deposits. Government should not bail out these institutions by doling out public money, he said.

Yunus defended the MFIs and said that it was catering to the 'real economy' and livelihood of millions of poor. The developing countries like India and Bangladesh have been largely insulated from the adverse impact of the current global financial crisis due to the presence of the 'real economy'. In Bangladesh 80% of the poor are covered by micro-finance and the remaining 20% is expected to be covered within next two years according to Yunus. He said that India which has reached only 20% coverage needs to speed up.



Convert the Depression into a new Civilisation

Present depression should be allowed a full run to help decentralization of economic activity. There could be some chaos in the urban areas for some time, but the physical material available for production and the labor of human beings - basic foundation of any economy- will get converted into different shapes and a combination leading to a new humane civilization suggests **DG Bokare**

Last century saw the collapse of Marxian socialism. This century is seeing the collapse of exploitative monopoly capitalism. This is making many economists in the West nervous. Professor J Pen of Denmark had expressed his worry in the context of deflationary period long ago. He says that if falling prices are allowed to continue, their industrial civilization and culture will soon vanish. J Pen was following Keynes's thesis. Lord Keynes had rightly warned that abundance would create nervous breakdown among the statesmen and economists. We are at present witnessing this kind of nervous-

ness in capitalist world. Keynesian monetary theory had saved the capitalist world during the Great Depression, but the same theory is not workable. The 'bailout packages' of trillions of dollars to save exploiters and gamblers, who were responsible for the present crisis, are not yielding any results. These amounts are going down the drain.

Common man is coming on the streets to express their ire against the exploiters. Millions of families across the capitalist world are being devastated and losing their hard-earned post-retirement supports. More mob-violence is expected in the coming years.

Many people compare the Great Depression with the current one. The positions are quite different in both the cases. In 1944, the USA was the world's most dominant military power, world's largest creditor, owner of about seventy percent of all monetary gold, dollar was linked to gold, and an oil exporter. Today's situation is just opposite. The USA is the world's largest debtor, having weak dollar as world currency, a major borrower in the world, importer of oil to meet half of its consumption, losing its uni-polar status in the world economy, and its military power is no longer a threat to the world.

Falling prices a boon for poor.

The depression has a direct relation with capitalist countries' industrial growth. Countries with agriculture as a main activity, like pre-1990s India, have nothing to fear from depression. Even in developing countries, the people connected with industrial activities and living in cities are scared. Industrialists, workers and other support service providers are restless because they lose profits, wages, jobs, and income source for living. They represent just ten-fifteen percent of the whole population of our country. Small industries, self-employed entrepreneurs, and farmers do not get scared of such downfall in the industrial sector. They keep working in their respective life-support fields. On the other hand, they feel happy about falling prices. Many industrial units pull down shutters, as they cannot afford losing the capital. This can be possible because they have not to struggle for living.

Dr. Shrikant Jichkar writes in his book, Exploration in Economic

Theory of Socialism, "We are witnessing the agitations against the rising prices, hoping that the government would take measures to bring down the price level. If the prices really come down, the economists call it depression, and they advise the government to act so that price level should not fall".

Dr. Babasaheb Ambedkar says while answering the question number 6164, as a witness before Hilton Young Commission in 1924-25, "I being a member of the labouring community, feel that falling prices are better". While answering the next question he says, "I may go further and say that from the national point of view too falling prices are better than rising prices". He further says while answering the next question, "All that means is a depression of profits. I do not want to make a distinction ... I do not know how far people will appreciate that. ... Between depression of industry and depression of profit".

Dr. Jichkar says, "If we examine the literature of the last hundred years, we come to know that, the economists examined the trade cycle with a view to studying the cause of depression. It is like examining the cause of sickness. The

Cost of production has to come down by using higher productivity. Science and technology brings down the cost of production and makes higher supplies of goods in the market.



diagnostic studies to locate the cause of depression were aimed at remedies against the falling prices during the depression. The Keynesian economic prescription is the epitome of these studies. This is the schizophrenia of economics as a social science. We do not want prices to rise. We do not want prices to fall. The economists themselves do not know what is good".

Dr. M G Bokare writes in 'Hindu Economics', "Irreversible depression will follow (the stock exchange collapse) which will cause the disappearance of capitalism lock, stock and barrel. Hindu economics has to take over the responsibility of new economic order. Marxist economic order was once an alternative. It has failed the hopes of mankind".

Cost of production has to come down by using higher productivity. Science and technology brings down the cost of production and make higher supplies of goods in the market. The capitalist economists have now landed with this 'catch 22' position.

It is now quite clear that falling prices must be arrested through

state interventions to save capitalists and their supporters. This phenomenon is visible in capitalist world. The states become restless and try to arrest the depression by using any means to protect their friend-capitalists. India is not an exception in this respect. People who have no relation with industrial activities do not have similar fear, as they do not work for profits but work for living. If the depression lingers on for long time, the uneasiness of capitalists increases as the profits get depleted overtime. When the profits get to zero or in negative field, the productive activities are closed by them

State versus Church clash

Bourgeoisie have severed the relations with the state on the ground that the economy can effectively function without the help of the state. This argument has now collapsed as we witness a queue to beg states' intervention to save the capitalist economy. Our Vedic literature does not connote the state like the one in the West. Dr. M G Bokare says in Hindu economics, "A good state and its government are necessary for the

progress of the society and its economic life. This view is different from the one that pervades in Europe. In our case, the state is created by God, and the king has been endowed with enough powers to govern the state".

Unfortunately our prime minister has joined this 'exclusive club' by joining the G-20 group. Massive funds are being pumped into the economies to once again enrich the bankrupt, speculators and gamblers who ruined the economies. Some of the Churches' senior officials have now started blaming the states for causing many problems in the society by asking people to generously spend to increase consumerism and to recover from the depression. Five leading Anglican bishops have attacked the government, calling into the morality of the government. They warned the country was suffering from family breakdown, an unhealthy reliance on debt and growing gap between rich and poor.

Let the depression run full cycle

It is interesting to study the paradigm of the economy in depression. If we allow the depression to run its full course, how the capitalists would react? They will find it difficult to run production lines if there are no profits. In effect they will pull down the shutters. Depression causes the disappearance of production for profit and eventually the capitalism itself. This is, however, not true in case of small production units, family units, cottage industries etc who work for living and not for profit. The disappearance of big units

would help small units to come up in a large number. Overtime, the economic activity gets converted from production for profits to production for living. The physical material available for production and the labor of human beings are basic foundation of any economy. They remain intact irrespective of any 'ism'. They will get converted into different shapes and combinations. They get reorganized in different forms. In other words, the centralized economic activity gets decentralized.

Pandit Deendayalji and Ma-



hatma Gandhi have been suggesting small and house hold units of production. They have been suggesting a decentralized economic model. To achieve this was a problem before the economists of our country. It is difficult for them to find a solution as well as the starting point to achieve this change. They are having hangover of the capitalist economic mode in their mind. They now need to seriously think how we could use the present opportunity given by the depression to achieve this goal. They should advise the concerned leaders to allow the full run of the

present depression. There could be some chaos in the urban areas for some time. But this can be handled by educating the people about the future benefits for them to enjoy an economy of no-exploitation. Majority of people will support this move when they get convinced about a better life for them compared to the present one. Disgruntled people would be only those were benefited by industrial profits, luxurious life style, and assured income coming every month by hard work or otherwise.

People are living in cities due to compulsion and against their wish, notwithstanding the inhuman conditions in these places. They don't have any choice or alternative economic conditions. The fall of capitalist economic system is not very far off. In the interim period of a few years, there would be confusion, uncertainty, chaos in all spheres of human activities, rise in criminal activities, uncontrollable law and order conditions, and all such other

anti-social atmosphere in any economy. Is it not, therefore, the appropriate time to push the thought of new civilization based on Mahatma Gandhi and Deendayalji? BJP has already initiated this thought process through its resolutions passed at the recently held three-day executive conference. This thought process should be extended further to take the above points in favour of allowing depression to run its full course. This is the best opportunity for a paradigm shift from today's chaotic and exploitative capitalist economic 'disorder' to a new humane civilization.

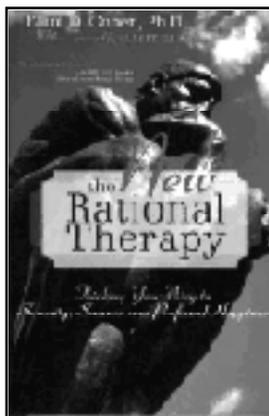
TRIPS Patent System: *A Judicious Approach towards public interest*

B.K. KEAYLA*

The deprived in developing countries are caught in a vicious circle where poor health leads to poverty and poverty in turn breeds poor health. This is despite the fact that during the past fifty years, there has been rapid improvement in health status worldwide including the developing countries. The public health laws, national drug policy and the patent system are intensely inter-related. The new Global Patent system has acquired a unique position in the industrial economy and the health care system of each country. It is a system, which needs to be carefully evolved, inter-related and reviewed periodically at the national level to ensure significant incentive for scientists and industry for research in basic inventions for the growth of industrial development and benefit of the ailing mankind. In return, patenting and exploitation of such inventions could be allowed limited monopoly for a stipulated period.

In order to be patentable, the invention ought to meet strict criteria of novelty, non-obviousness and industrial applicability. The strict interpretation/application of the criteria for patentability would mean that 'basic inventions' and 'chemical and medical molecules' should only be patented. The in-

ventions should be really basic and unknown. There would be thus enough scope to develop rational therapy keeping the state policies and local culture into consideration. Over a period, however, in practice, the criterion for patentability is tending to be diluted and is being applied in a liberal and flexible manner. The victim thus is the rational therapy. The need is to have Legislative reforms in the field of intellectual property, and the modernization of IP infrastructure of many countries to ensure as to how the IP system can be used to provide for economic development and fulfillment of social objectives rather than cre-



ation of monopolistic environment for commercial advantages.

Certain stipulations in the TRIPS Agreement particularly the absence of a proper definition of patentable invention has given total freedom to the Big Business to monopolise markets

through all kinds of frivolous and questionable patents. The number of all such patents presents an alarming picture. The data is as follows:

The scenario of the large scale trivial and questionable patents granted in the USA and the countries of European Union is almost the similar. There have been several important studies in the

Patent Office	No. of Patents	
Country	2006	2007
United States of America	1,774,742	1,814,939
Republic of Korea	465,988	566,965
Germany	460,657	492,604
France	377,755	390,341
European Patent Office	268,384	N.A.
Spain	155,621	160,368
Hong Kong (SAR), China	141,766	197,822
Russian Federation	123,817	129,910
Canada	115,639	121,889
Sweden	104,710	105,571
Australia	95,912	N.A.

recent past on scenario of patents granted in the developed countries. These studies are:

- (a) Research Report of May 2002 by USA National Institute for Health Care Management Research and Educational Foundation. (NIHCM).
- (b) Report of 2003 of US Federal Trade Commission; and
- (c) Report of April 2003 of the U.K. Royal Society on 'Keeping Science Open'.

The gist of these studies is that "Drug manufacturers patent a wide range of inventions connected with incremental modifications of their products, including minor features such as inert ingredients and the form, color, and scoring of tablets. In some cases, these patents may discourage generic companies from trying to develop a competitive product. In others, the generic may be able to 'design around' the new features." The patents granted in USA are creating market monopolies and acting as strong technical barriers to trade for such a large number of products for the generic industry from India, European Union and other countries. The Report of European Generic Medicines Association has also criticized the patents being granted in the countries of European Union.

The scenario of working of Patent Offices in India in granting patents is also being criticized not only by the industry but also by the media. In the last fiscal year 15,261 patents were granted with 3,173 to domestic and 12,088 to foreign applicants. A total of 35,218 patent applications were filed, 6,040 from domestic and 29,178 from foreign applicants in the last fiscal. The stipulations about the patentability

are being freely abused to the extent that trivial/unusual patents are being issued by the Patent Offices.

Even in the field of pharmaceutical certain companies have allegedly benefited from the current scope of patentability and from the provisions in the Section 3(d) of the Patents Act, 1970.

No doubt we committed at international level in 1994 to honour all WTO Agreements including the TRIPS Agreements, the question is as to why we have ignored to provide for in our amendments to our Patents Act 1970 the flexibilities available in TRIPS Agreement and the Doha Declaration on Public Health. If these flexibilities had been implemented the public interest on social obligations would have been met to a considerable extent.

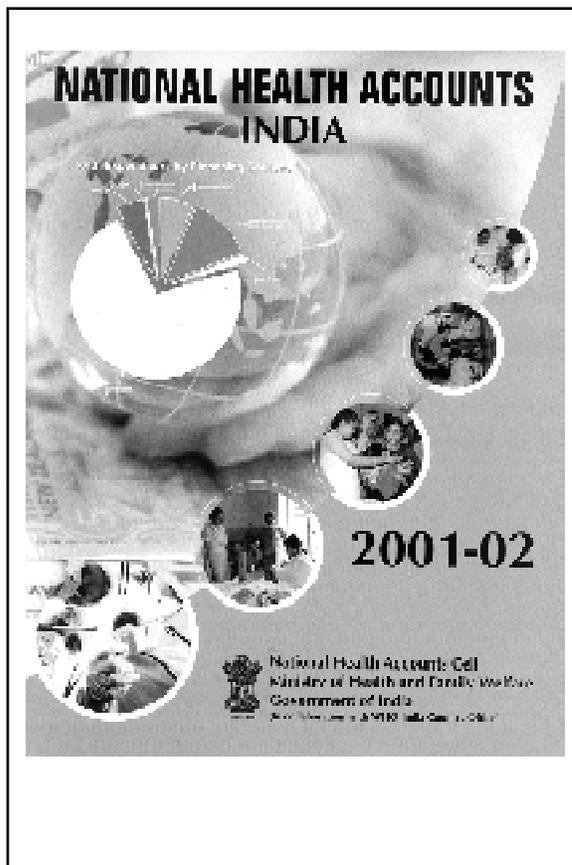
There are several flexibilities which are available in TRIPS Agreement and Doha Declaration on Public Health which has not been incorporated in the amending process of our Patents Act 1970 while bring it in line with the provisions of the TRIPS Agreement. The highlights of these flexibilities are as follows:

(i) The TRIPS Agreement in one of its preambular objectives provides: "Recognizing the underlying public policy objectives of national systems for the protection

of intellectual property, including developmental and technological objectives."

The Peoples' Commission Report on GATT by three retired judges of the Supreme Court indicates that "if the Constitution is what the judges have told us it is & the text with the Preamble explicates it, the TRIPS part vis a vis Indians will in all probability be ultra vires".

In spite of this finding of the Commission, Government did not assess the validity of the TRIPS Agreement vis a vis the 'Fundamental Rights' stipulated in the Constitution. The most important rights being in Article 21, "Right to Live and Personal Liberty". The TRIPS Agreement provides for monopolistic rights for a long period of 20 years on the patented product. The issue is whether there is co-relation of patents stipula-



tions with the objectives of the National Health Policy in our country. The preambular objective of the TRIPS Agreement vis a vis stipulation in our Constitution should have been reflected in our amended Patents Act.

Reasoning for Review of scope of patentability in Patents Act 1970

The TRIPS Agreement in Article 27 on patentable subject matter stipulates that "patents shall be available for any inventions whether products or processes in all fields of technology provided they are new, involve an inventive step and are capable of industrial application". The TRIPS Agreement however, does not define 'inventions' and the other patent terminologies. These have been left to be defined by the member countries in their national patents law.

The UK Commission on Intellectual Property Rights in their Report (2002) in Chapter 6 on 'Patents Reform' provides as follows:

"It (TRIPS) does not, however define the terms 'invention', nor does it prescribe how the three criteria for patentability are to be defined. Indeed we would note that it is not uncommon for different courts in Europe, even when applying identical law, to come to different conclusions on whether a patent is or is not obvious. There is therefore ample scope for developing countries to determine for themselves how strictly the common standards under TRIPS should be applied & how the evidential burden should be allocated".

Even the WHO Commission on Public Health : Innovation and Intellectual Property Rights in its Report (2006) under the heading

"the Roles of Patents" stated (on page 34) that:

"Thus developing countries may determine in their own ways the definition of invention, the criteria for judging patentability, the rights conferred on patent owners and what exceptions to patentability are permitting provided these are consistent with the relevant articles of TRIPS".

The above stipulations by the high level Commissions have clarified that the member countries are free to define the patent terminologies including scope of patentability of invention and pharmaceutical substance in their national patent laws themselves.

Need for periodical post audit of patents granted

The grant of trivial/questionable patents will lead to criticism when the public interest becomes pronounced. Some kind of check is called for. There is a study by an important USA Institution which reveals as to how the patent system is being misused in that country. The National Institute of Health Care Management Research and Educational Foundation in their Report (2002) on "Changing Patterns of Pharmaceutical Innovation" points out that :

"Drug manufacturers patent a wide range of inventions connected with incremental modifications of their products, including minor features such as inert ingredients, and the form, color, and scoring of tablets".

Similar reporting has also been done by the Federal Trade Commission of USA in 2003 which also revealed the shortcomings of the system in granting questionable patents.

The above reportings in USA

suggest that periodical studies of patenting are important to ensure that misuse of the system is controlled. In India also there is not only a need to be exceptionally careful in providing specific subject matter which should be permitted for patentability to deal with the phenomena of trivial patents as highlighted, but also that there should be a system of periodical review of patent stipulations and post audit of patents granted. This will help to refine and discipline our patent system at least in the initial decade itself

Conclusion and safeguarding the sanctity of patent system

All developing countries including India are facing health crisis on a massive scale. Improving accessibility and affordability of medicines particularly for reversing the trend of high mortality and morbidity from tropical diseases is a major challenge. The issues of universal access and rational therapy have to be given top priority for peace and prosperity through 'Health for All'. There is a strong need to discipline/limit the scope of patentable subject matter in our country. Otherwise we will face similar situation as in USA where presently lakhs of patents are being filed annually. Such protected medicines seriously affect the affordability in the poor countries.

A serious consideration is needed by the Government to review the patentability in our country and also do the post auditing of patents granted to bring in discipline and sanctity in the system. We should practice only a patent system which is not abused in any way and that it really stipulates the objectives of public health in the country.



*SJM Programmes in Gujarat
Ahmedabad (11 April 2009)*

The Global Recession and Indian Economic Scenario and the Role of SJM” was the topic of discussion in an impressive and inspiring programme organized by Ahmedabad unit of Swadeshi Jagaran Manch. The programme was held in the local Sahkar Bhavan on the occasion of visit of Sh Kashmiri Lal ji, the national Sangathak of SJM.

Sh. Rasikbhai Mehta, state convenor SJM, in his introductory speech recounted various programmes and activities carried out by the Gujarat SJM, and stressed that the present economic scenario specially the global recession re-

quires an indigenous model of development. Pt. Deendayal Upadhaye in his philosophy of Integral Humanism and Dattopant Thengadi, the founder of the SJM in his exposition of the Third Way have provided an apt and appropriate model of development suitable to the Indian environment, he added. He further stressed the need to re-activate, reinforce and strengthen SJM in the present atmosphere to navigate country out of troubled waters of financial tsunami. He invited all right thinking patriots to contribute their share

of effort for this rejuvenation.

Sh. Pratapbhai Pandaya, a leading educationist and associated with the Swaminarayan movement complimented SJM for its untired efforts aimed at transforming India. He narrated his personal experiences to reveal how people look at the work of SJM. ‘When I sought permission of the Swamiji to participate in this programme’, Sh. Pratapbhai said, “he (The Swamiji) encouraged me with the following words: “This is the work we thought to initiate long back but could not carry it out, while they people (SJM) are doing it. So enthusiastically participate in it.” Sh.

Corruption in America did not start with this Titanic ship, America was corrupt even before that. All the big business houses –at least 25 – which have been declared bankrupt carried the AAA certificates with them, thus reminiscent of the corrupt practices of the regulatory authorities.



Pratapbhai stressed the need to distribute again the list of Swadeshi commodities in large numbers so that a big movement could be started from house to house.

Sh. Kashmirilal ji, national Sangathak of SJM, equated the present American financial crises, or say global recession with the infamous sinking of big American Ship Titanic in 1912. The gigantic ship had sufficient life boats in it to salvage all the passengers on board, but due to prevailing corruption half of the boats were sent vacant by the tainted officers of the ship, he claimed. Corruption in America did not start with this Titanic ship, he added, but America was corrupt even before that. All the big business houses –at least 25 – which have been declared bankrupt carried the AAA certificates with them, thus reminiscent of the corrupt practices of the regulatory authorities. He added that similar to the Titanic disaster, no lessons have been learnt from the present global recession. Over consumerism, hate campaign against saving practices, corrupt regulatory measures,

unsustainable growth model (4% American usurping 40% of world resources) call for a new economic sustainable growth model based on Indian ethos, he added. Then-gadi ji in his Third Way exposition has suggested a new way, keeping equal distance from the Marx and Market. He narrated the various programmes have been initiated by SJM to explore the indigenous economic model. Sh. Hansmukhbhai convened the programme and Ashishbhai Raval thanked the audience.

Porbandar: A similar programme was held in Porbandar, the birthplace of Mahatma Gandhi. A leading gynecologist Dr. Surekha Shah while delivering her presidential speech lambasted the process of patenting of medicines and described the dangerous effect it will have on the general masses of the poor countries like India. She presented her book on the topic to Sh. Kashmirilal ji and promised her whole-hearted support to the cause of Swadeshi movement. A new team of SJM was declared by Sh. Ramesh Dave, state Co-convenor of SJM. Vipulbhai Rathor, city

convener thanked the participants, where as the newly appointed City Sangathak, Kamleshbhai Khokhri was working as stage secretary.

Two programmes of SJM were held in Jamnagar and Surat also in the same week. A superb Family Contact Programme is the highlight of the Jamnagar SJM. Almost every karyakarta of SJM has with him a list of 20 to 25 families whom he/she contacts at least once a month. In this way nearly 500 families are contacted every month and the message of Swadeshi is going directly to the chulha:chowka regularly. Moreover every household is provided a list of things which he is expected to do, starting from purchasing indigenous commodities, to making ethical atmosphere in the family. This experiment is practised with religious fervor.

Sitting on the dias in Ahmedabad were State Convenor of Gujarat SJM Sh. Rasikbhai Mehta, Prant Sanghchalak Sh. Amritbhai Kariwala, All India Organising Secretary Kashmirilal, and the president of the programme, Sh. Pratapbhai Pandaya.

An Effort to Bridge the Gap Widened by Interest Groups

By **G. Raina**

The relationship between media and terrorism has evolved over a period of time. Media, owing to its capability of influencing the minds of people has been used by all and sundry in achieving their objectives. Terrorists have been no different. Mass media sets the agenda for public opinion by highlighting issues. It is a proven fact that media shapes the minds of people. Issues that don't make headlines are not considered important by the people, especially those who do not have means to connect with events.

Exponential growth of media and use of technology in information dissemination was, therefore, used naturally by terrorist organisations world over with varied levels of success. Exploitation of media by these organised criminals has evoked mixed response from the 'civil society'. While some feel media to have provided much needed oxygen to these perpetrators of crime against humanity others consider use of media as a right for everyone including fanatics, in any democratic polity. Restrictions of any kind on media for them are unethical. While this debate continues, use/misuse of media also goes on unabated. But in the process there has been a change in the manner media used to behave, say a couple of decades earlier. This change is visible even though it has



been gradual.

'Mediabias' and 'activist Journalism' like terms have evolved as a result of debate on the issue of relation between media and organised interest groups. The debate has its roots in several incidents where journalists and media as whole crossed the limits of professional ethics. Brazen exploitation of media at failed Agra summit and the unpleasant incident in which the spokesperson of the Ministry of External Affairs, Ms. Nirupama Rao, was virtually manhandled by the members of the Pakistan's media contingent shocked the viewers.

India has its own experience in this respect spawned over a period of several hundred years. Our experience, in fact, has been much richer owing to vastness of territory and richness in terms of lan-

guages spoken. Same issue has been reported, commented and analysed differently by media in different languages.

This difference in approach to any event, particularly to an important issue like terrorism that has endangered very existence of the civilised democratic world, is the focus of recently published book "terrorism and the Indian Media". The book is the published form of a research project "A comparative study of the approach of English, Hindi and Urdu newspapers towards terrorism" undertaken by India Policy Foundation (IPF). Prof Rakesh Sinha, the well known writer commentator and analyst is the author and co-ordinator of the project. He has been assisted by Shri Manmohan Sharma, a seasoned journalist, Shri Priyadarsi Dutta, writer and visiting fellow IPF and Shri Rajeev Kumar research associate IPF. IPF has published the 175 page book PB edition that casts Rs. 80/-.

It is a very good attempt. Not only is the quality nice, contents also are of high grade. Authors have been successful in maintaining the objectivity in spite of the sensitive nature of the subject. Those of us who know Prof. Rakesh Sinha and have seen him maintain his cool even during provocative discussions on various issues of national importance in the market driven studios

of various TV channels are aware of his capability to differentiate between personal beliefs and professional ethics. Same is amply evident in this work that will go a long way in shaping the future course of the debate on this vital subject. "There are no full stops in intellectual work", says Prof. Sinha. "It is a flowing stream and fluctuations are possible in its flow criticism will also be considered an indicant of its success", he adds. It is just an example of his understanding and attitude.

He for sure has succeeded in attracting attention of the readers to an important issue that has been known for all these years, but still kept under wraps for narrow con-

siderations of political, communal and professional interests.

The issues discussed are well known and of recent happening. Readers will find the item's a sort of repetition. But, one still enjoys reading it. This book will also provide an opportunity for non Urdu reading people to sneak a look into the isolated world of Urdu readers and that in turn can help bridge the gap between different communities particularly Hindus and Muslims. I recommend this book for reading to all those who love India and desire to take it to a developed status. A developed India is not possible without a consensus on vital issues like Terrorism and consensus is impossible

without a dialogue. Dialogue in turn is the result of an endeavor to reach out to people who think differently. Terrorism and the Indian Media is a successful venture in this direction.

Excerpts from the book.

The difference amongst English, Hindi and Urdu newspapers comes out clearly in the study. For instance, most Urdu newspapers projected 26/11 attacks as a conspiracy to defame Muslims. Aziz Burney, the editor of Roznama Rashtriya Sahara, said 26/11 is a Mossad & CIA conspiracy as 9/11 was. Interestingly, the view of Rashtriya Sahara (Hindi), published by the same media house, was diametrically different from Urdu.

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Crops Worth Rs 25,000 crore are lost in India due to Spurious Pesticides

India is facing crop losses worth over Rs 25,000 crore a year due to the use of spurious pesticides and insecticides, according to Dr Krishan Bir Chaudhary. Dr Krishan Bir Chaudhary and his team at Bharatiya Krishak Samaj (BKS) brought to the fore the racket of pesticide companies in the sale of sub-standard pesticides and insecticides to farmers. The annual sales of such fake products are over Rs 1,500 crore claims Dr. Choudary.

Calling for a crack-down on the companies that sell such spurious items, Bhartiya Krishak Samaj President told reporters in New Delhi that out of four widely-used products in northern India manufactured by at least 14 companies, as many as 11 companies failed to meet the parameters set by the government.

"Crop to the tune of Rs 25,000 crore are being lost due to spurious pesticides and insecticides that notch up annual sales of about Rs 1,500 crore," he said. About 30 per cent of the cane crops in the second-largest sugar producing state of Uttar Pradesh are lost due to such fake products, he added.

BKS had picked up random samples of such pesticides and insecticides from different places and sent them for tests to the Institute of Pesticide Formulation Technology, which has been accredited by the National Accreditation Board for Testing and Calibration Laboratories under the Ministry of Science and Technology.

In the manufacturing of Phorate (10 per cent CG), which is widely used in sugarcane, paddy, wheat

and potato crops, samples of 10 out of 11 companies failed to meet the required standard, Chaudhary asserted.

Similarly, the samples of five companies of Isoprotruron (75 per cent WP), which is used against insects to protect paddy and wheat crops, are alleged to have failed in the test.

Samples of two out of four companies tested

are claimed to have failed in complying with requirements for the manufacturing of 2,4-D Ethyl Ester (38 per cent EC), which is used in the paddy crop. Moreover, three companies are alleged to have bypassed norms as reflected in the samples of 2,4-D, Sodium Salt (80 per cent Tech), which is used in the paddy crop, Chaudhary said.

He asked the government to clamp down on products of companies from time to time

and cancel licences of erring firms while taking action against pesticide producers and inspectors who connive with the manufacturers. He further said that he personally appeared before the Parliamentary Standing Committee on Agriculture in January this year and pleaded for action against erring companies for the sale of sub-standard pesticides. He also called for action against the pesticides inspectors and state laboratory analysts who actively connive with these companies and help them in selling sub-standard material and duping the farmers. He appealed to the Government for strict action against the companies and seal them immediately. **(Swadeshi Samvad)**



FOOD SECURITY

Congress

Will enact a national food security act, along the lines of NREGA

BPL families will get 25 kgs of rice/wheat at 3 rupees a kilo

Subsidised community kitchens for homeless and migrants

BJP

Will make India hunger free;

Provide 35 kg of rice or wheat every month to BPL families at Rs 2 per kg under an improved and expanded Antyodaya Anna Yojana. This will be available against 'Food Coupons' redeemable at both PDS and private outlets.

Allocate more funds for expanding, universalising and improving the functioning of the Public Distribution System.

Preventing families from slipping below the poverty line.

Setting up community kitchens in extremely impoverished areas with the help of NGOs through shared funding.

Aggressively addressing the problem of widespread malnutrition, especially by expanding the scope of the existing mid-day meal scheme.

Encouraging the production of cereals and discouraging the conversion of fertile farm land for dubious industrial projects.

Ensuring a sufficient level of food stocks are maintained to meet any exigencies due to possible global food crisis which could be severely debilitating and make imports prohibitively expensive, if not impossible.

CPM

Reintroduction of the universal PDS and abandoning the targeted DS based on flawed poverty estimates; Provision of foodgrains at subsidized rates in the PDS

Expansion of the Antodaya scheme to cover wider sections of the rural and urban poor; Special measures to include tribal communities in Antodaya coverage

Supplying 14 essential commodities including sugar, pulses and edible oils under the PDS

Reversing the cut in food grain allocations to the States under the PDS and giving States their full

quota of grain

Strengthening the FCI and expanding of FCI godowns, particularly in the Eastern and North Eastern regions; Curbing procurement of foodgrains by private corporates and MNCs

PUBLIC INVESTMENT IN AGRICULTURE

BJP

Heavily invest funds in agriculture to reverse the trend set by the Congress-led UPA & make the farm sector an equal engine of growth along with industry and the services sector.

CPM

Expand public investment in power supply in rural areas and stop privatization of electricity; Ensure uninterrupted supply of power to agriculture;

CPI

Double public investment in Agriculture

BANK CREDIT

Congress

Every farmer will have access to bank credit
Interest waiver for farmers who repay loans on time

BJP

Freeing farmers from the burden of mounting debts; Waive agricultural loans. Set up a commission to study the entire gamut of farmers' loans and come up with an actionable solution to the deepening crisis within six months.

Set a maximum ceiling of 4 per cent interest for agricultural loans to farmers from banks.

Strengthen National Rural Bank & allied services.

CPM

Ensure institutional credit to the agricultural sector at a maximum 4% rate of interest

CPI

Provide agriculture credit at the rate of 4 per cent simple interest.

Provide kisan card to all

SOCIAL SECURITY

BJP

Introduce a pension scheme for aged and helpless farmers.

CPM

Comprehensive legislation for Agricultural workers

FARMING: PROFITABLE AND VIABLE

Congress

Programmes for agricultural diversification, agri-processing and rural industrialization will be pursued systematically

BJP

Make agriculture profitable by reducing the cost of inputs, enhancing yields and reviewing the present method of determining prices. Ensure quality power, seeds and other inputs.

CPM

Ensure provision of high quality inputs at affordable prices to all cultivators through public production & marketing; repeal the Seed Bill & introduce farmer-friendly seed legislation

SPECIAL THRUST

Congress

Dairying, aquaculture, fisheries, horticulture and sericulture will receive an additional boost. The special needs of crops like tea, coffee, rubber, spices, cashew and coconut will be met. A renewed emphasis will be placed on wasteland development and afforestation.

BJP

Promote horticulture, floriculture, pisciculture and poultry for generating additional jobs and supplementing incomes. Create additional grazing land and encourage the maintenance of ponds and water bodies.

CPI

Package for development of live stock, fisheries and horticulture Kisan Vigyan Kendra in every block

CROP INSURANCE

Congress

Implementation of comprehensive crop insurance scheme

BJP

Implement a Farm Income Insurance Scheme through which both price and produce will be insured. In the event of loss of crops, farmers will be compensated under this scheme so that they do not suffer any loss of income.

CPI

Introduce Crop Insurance, treat village as unit for calculating crop loss

MSP

Congress

MSP & procurement ensured at the doorsteps of farmers

CPM

Expand MSP coverage to more crops, including oil seeds, other cash crops and traditional staples; Revive commodity boards to set floor prices for commercial crops

CPI

Ensure remunerative prices to farmers by fixing MRP and arranging timely procurement

DIRECT INCOME SUPPORT

Congress

Will examine feasibility of direct income support in ecologically vulnerable regions of the country

BJP

Ensuring assured income for farmers;

IRRIGATION

BJP

Create irrigation facilities for an additional 35 million hectares of land in five years: This will generate rural jobs as well as benefit farmers. Drip irrigation will be promoted along with better water management and use of check dams.

CPM

Expand irrigation facilities

LAND ACQUISITION

Congress

Market rates at a minimum; Farmers given an option to become stakeholders in such industrial ventures

BJP

The BJP will adopt a National Land Use Policy which will protect the interests of farmers. Its implementation will be monitored by a National Land Use Authority which will work with State Land Use Authorities to regulate and facilitate land management. The powers and functions of the National Land Use Authority will be similar to those of other regulatory bodies. The BJP will bring about amendments to existing laws to rectify anomalies pertaining to land acquisition. Farmers will be compensated at market rates for any land acquired for infrastructure purposes. The BJP will not allow the conversion of fertile farmland for industrial/ commercial projects or Special Economic Zones.

The entire issue of Special Economic Zones and acquisition of land for industrial use will be addressed after a careful scrutiny of the Parliamentary Standing Committee's report & factoring in the need to protect the farm sector & enhance food production.

CPI

No to acquisition of farmers' land for non-farming purposes particularly real estate business. Amend the SEZ Act and rules.

R & R

Congress

National R & R Bill will be taken up

CLIMATE CHANGE

Congress

NAPCC will be implemented in letter & spirit!

NATURAL RESOURCES/BIODIVERSITY

Congress

India has an enormously rich biodiversity that is under threat on account of various reasons. The Indian National Congress commits itself to strengthening people's movements whose objective will be to protect and preserve our bioresources and ensure their sustainable use.

CPM

Ensure strict regulation of private agricultural research with regard to protection of biodiversity

SWAMINATHAN COMMISSION

Congress

Will implement national farmers' commission recommendations systematically

CPM

Implement the pro-farmer recommendations of the National Commission on Farmers

CPI

Implement the recommendation of the National Commission of Farmers

SUCIDES

BJP

There are three immediate concerns which will be addressed by the BJP in a time-bound manner: Ensuring assured income for farmers; freeing farmers from the burden of mounting debts; and, increasing public investment in agriculture. Everything can wait, but not agriculture

GM SEEDS

BJP

GM Seeds: No genetically modified seed will be

allowed for cultivation without full scientific data on long-term effects on soil, production and biological impact on consumers. All food and food products produced with genetically modified seeds will be branded as 'GM Food'.

CPI

With regard to GM crops/foods, since there are many pending concerns with regard to health and environmental safety, IPRs, consumer choices etc., and given the pending need for a democratic, scientific, independent and transparent regulatory regime, CPI will take a precautionary approach and will put in place a moratorium until all pending issues are resolved satisfactorily.

INTERNAL TRADE AGREEMENTS

BJP

The BJP shall fight against the protectionist trend which is emerging in some developed countries. We will safeguard the country's interests in all bilateral and multilateral trade agreements by avoiding to accept any new unilateral or less than reciprocal commitments. Our Government will renegotiate all such past commitments that are inconsistent with national interests, especially to ensure food security and affordable health care. We will not hesitate to roll back any concessions and facilities not reciprocated by the counterparts.

PATENTS

CPM

Reverse changes in the intellectual property regime that favour big business;

CPI

Review the Patents Act on urgent basis.

INDO-US KIA

CPM

Scrap the Indo-US Knowledge Initiative in Agriculture and make public all its records; Increase public investment and expand public institutions for agricultural research and extension

CPI

Further, CPI will review of the Indo-US Knowledge Initiative on Agriculture (KIA).

CONTRACT FARMING

CPM

Repeal the model APMC Act which advocates contract farming; bring farmer-friendly reforms in agricultural markets

Satyam fiasco: LIC lost Rs 950 crore

If one were to put aside the magnitude of loss suffered by the investors in Satyam, the money with which the Raju brothers played in Satyam scam was to the tune of Rs 6,000 crore. Of this, the amount they cornered for themselves and their family was Rs 2,580 crore. The whereabouts of this money and the properties they bought with it and the key persons that helped them in perpetrating this scam is yet to be known. This is the crux of the charge sheet filed by the CBI two days ago in the local CBI court in which nine persons including B Ramalinga Raju, B Rama Raju and B Suryanarayana Raju are the accused.

Interestingly, Life Insurance Corporation (LIC) has emerged as the single largest institutional inves-



tor which lost as much as Rs 950 crore. Others like Allahabad Bank, Union Bank of India, Punjab National Bank, Oriental Bank of Commerce, Corporation Bank etc have together lost only Rs 10 crore put together.

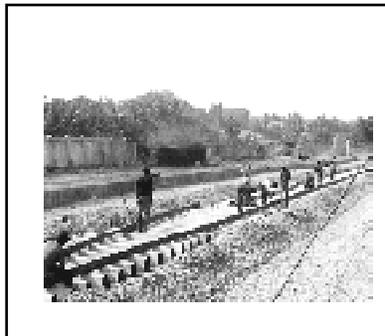
The core of the chargesheet, running into 75 pages, mentioned what the CBI understood so far about the scam. Some highlights: When the actual cash available with the company was only Rs 139 crore, the accused had shown an inflated figure of Rs 5,160 crore

and also claimed an interest of Rs 375 crore on that while the actual interest accrued was only Rs 7 lakh.

Use Domestic Resources for Infrastructure: CII

In view of the global economic downturn, expectation of high level of Foreign Direct Investment (FDI) into India would be unrealistic, industry body CII said in a report.

Similarly, Foreign Institutional Investor (FII) investments would



be minimal, perhaps, nil, CII said in a study titled 'Global Economic Crisis: India's Recovery'.

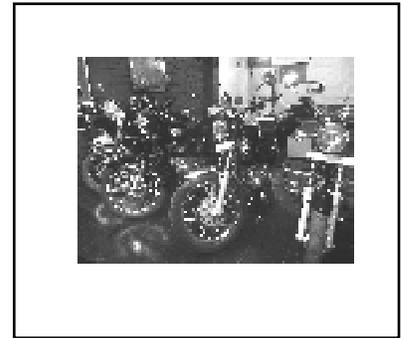
The Confederation said India must depend on domestic resources to support investment in infrastructure, agriculture, industry and services sectors. "Net FII investment end-February this year was 51 billion dollars at book value. India needs to plan on the basis of a steady fall," the study pointed out. It claimed that there will be limited impact on stimulus packages because the problem is far deeper and widespread globally, beyond India.

Such packages will need to be done with care and caution to avoid fiscal bankruptcy happening.

Debt-ridden Vidarbha splurges on bikes

According to a review by the state transport department reveals

that the farmers, living in one of the worst debt-ridden areas in the country, have bought the vehicles



with money they recently got as compensation against the acquisition of their farms and properties for different projects, mainly irrigation ones, like at Gosikhurd dam.

A survey of the last fiscal, according to state transport commissioner Deepak Kapoor, says farmers and labourers in Bhandara bought 88,000 two-wheelers in 2008-09, over 7,000 to 8,000 more than in 2007-2008. Nashik was next, with 78,000 bikes.

State transport sources revealed that around Rs 21 to 23 crore were collected over the past year in vehicle taxes from Bhandara district, with only 1 to 2% of the sales being cars. At this rate, Rs 300 to 340 crore may have been spent on bikes, sources said.

Farmer community leaders say this is a bad trend that has been on for the last couple of years. Owning a bike has become everyone's ambition in these villages where farmers don't even have enough food to eat. "These are 'killer' vehicles as the poor farmers use them to travel to nearby talukas to play matka and drink. After losing money, they sell the household utensils of their bayko (wife) but not the bike," said Kishor Tiwari of Vidarbha Janadolan Samiti.

(TNN)

PW auditors knowingly falsified Satyam data: CBI

The detailed charge sheet filed



by the CBI in Satyam fraud case, says that both S Gopalakrishnan and Srinivas Talluri had obtained independent confirmations from banks about the balances in the books of the IT Company. They chose to ignore the bank data and "knowingly certified the inflated and forged balance sheets prepared based on forged FDRs and other data." The CBI chargesheet says that both the auditors after facilitating projection of falsified data made "misleading" presentations to the audit committee of Satyam about the financial health of the company.

As consideration for this act of "accommodation" they received exorbitant audit fees from Satyam over and above the market rate "which reflects a quid-pro-quo arrangement," the CBI has charged. What is more interesting is that these two auditors ignored the findings of even their internal checking team that found a staggering 180 deficiencies. This was communicated to the audit team who were told that the IT systems in existence in Satyam were "not fully integrated and subject to manipulation," the charge sheet says. But the two at different points of time did not make any change in their audit plans. (TNN)

Spectrum allocation

The Communications Ministry has asked the Department of Telecom to seek legal opinion before allocating any more spectrum beyond 6.2 Mhz to existing GSM-based mobile players. This move comes in the wake of the recent observation by the Telecom Dispute Settlement Appellate Tribunal that GSM operators are not entitled to more than 6.2 Mhz spectrum according to the licence agreement.

Several existing players, in-



cluding Bharti Airtel, have approached the DoT for additional spectrum. Bharti for example has sought additional spectrum in Orissa based on the subscriber-based allocation criteria.

Bharti already has 6.2 Mhz spectrum in Orissa and wants the next chunk of bandwidth to be released since its subscribers base in that State has increased to the levels prescribed by the telecom regulator.

While the Wireless Planning and Coordination wing of the DoT has cleared Bharti Airtel's application, the Communication Ministry wants legal opinion to be taken before the additional spectrum is given to the company. "DoT had set up an internal committee to work on the new spectrum allocation policy and the Ministry wants to be legally sure before allocating spectrum even as the committee sub-

mits its report," said a DoT official.

Book on 'Indian Saris' launched in London

A book on the journey of the traditional sari which has enamored Indian women down the ages and is now becoming popular in the foreign shores was recently launched in Britain. The book 'Design for India: Indian Saris' celebrates the meaningful engagement of contemporary Indian design in saris with the traditional handloom industry of India.

Author Vijai Singh Katiyar, Senior Faculty, National Institute of Designs, Ahmedabad researched for two decades on the visually delightful book which rediscovers the hand-woven sari, an iconic traditional product of India for its conceptual strengths that are relevant to the contemporary scenario. Katiyar said that sari exports



account for 7 to 8% annual growth, adding, the garment has registered a growth mostly in the UK and USA where there is a sizable NRI population.

Baroness Shreela Flather formally inaugurated the book at the Nehru Centre yesterday describing it as a "real feast". The book launch coincides with the 'London Book Fair' where India is the theme country this year. The book is co-published by NID and the Wisdom Tree, New Delhi.

Recession fuels violence

Stories of workplace violence are filling headlines of late- the San Diego bus mechanic who killed two co-workers or the unemployed man in upstate New York whose 12 shooting victims included a receptionist and a teacher. With such jarring tragedies, fears of violence fueled by financial worries are growing as the recession puts strain and stress on anxious workers, experts say.

Job losses, job uncertainty and slashed budgets are all pressures that could push someone over the edge. "Tough times will cause people to do crazy things," said Kenneth Springer, whose company Corporate Resolutions Inc. did the surveillance. "People are taking more precautions." "People are flat out concerned," said James Cawood, a security ex-



pert and author of "Violence Assessment and Intervention: the Practitioner's Handbook."

"People that are staying in companies where there has been significant downsizing and there's also been major dislocation ... are worried at every level," he said. "Even in down economic times, I'm doing more training now than I've done in years." Workplace violence can range from harassment and intimidation to violence and

homicides, experts say.

British economy deflates

The British economy has entered deflation for the first time in almost half a century, heralding a fall in wages and freeze in pensions, according to a media report. The Retail Prices Index (RPI) measure of inflation fell to -0.4 percent in March, indicating that prices paid by consumers last month were lower than a year ago - a trend not seen

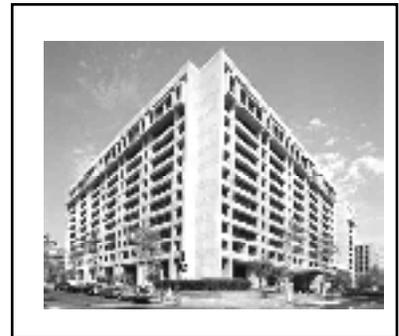


since March 1960, The Telegraph reported.

The figure, published by the Office for National Statistics was roughly in line with economists' predictions of a fall to -0.5 percent. RPI inflation, which includes housing and mortgage costs, has been driven down by the series of aggressive interest rate cuts from the Bank of England which has triggered lower variable rate mortgage repayments, the newspaper said. Economists were wrong footed last month when RPI, widely expected to go negative, fell by far less than expected, moving from 0.1 percent to zero.

Because RPI is used by most trade unions and large companies to set wage increases, experts believe many workers will suffer from pay freezes this year, with some experiencing pay cuts.

Global financial crisis to cost four trillion dollars: IMF



The International Monetary Fund raised its estimate of losses from the global financial and economic crisis to more than four trillion dollars due to write-down on soured credit.

The IMF said the total estimated cost of 4.054 trillion dollars includes 2.712 trillion dollars in losses in US-originated assets. Losses on European-originated assets were estimated at 1.193 trillion dollars and those of Japanese-originated assets at 149 billion dollars.

The total cost represents what was needed and would be needed by financial institutions because of the deterioration in credit, in particular in the plunge in the value of equities backing credit, such as mortgage loans, as the global economy suffers the worst contraction in six decades. The estimate, which covers the period from the beginning of the financial crisis in mid-2007 to 2010, was published in the IMF's latest semi-annual Global Financial Stability Report (GFSR). The IMF projected that banks will bear 2.470 trillion dollars, or 61 percent, of the total losses and said that two-thirds of them have yet to be declared. "Loss recognition is incomplete and capital is insufficient under a recession scenario," the IMF said.

New legislation seeks to close tax haven loopholes



After weeks of political wrangling, Germany's ruling coalition has reached agreement on a draft law to combat tax evasion. Finance Minister Peer Steinbrueck (SPD) and Economics Minister Karl-Theodor zu Guttenberg (CSU) have resolved their differences after heated debate over several issues blocked passage of the proposed legislation. The law makes it harder to illegally transfer money abroad. Steinbrueck's initial law proposal met with stiff opposition from SPD's conservative coalition partners. Chancellor Angela Merkel's Christian Democrats (CDU) had criticised the proposal, saying that it would place all tax payers under suspicion just because they happened to have business ties with foreign countries that were on a blacklist of tax havens. Lawmakers also expressed concern that the draft law in its current form could violate the country's constitution. Berlin has waged a campaign to stamp out tax evasion since Klaus Zumwinkel, then chief executive of Deutsche Post and one of Germany's top businessmen, was convicted in a major tax evasion trial.

Around 30 billion euros (\$40 billion) are lost to Germany every year due to tax evasion and at least

10 times this amount has so far been illegally transferred abroad from Europe's largest economy, according to calculations by the DSTG tax union. (Reuters)

Meditation key to treat depression: Oxford Agencies

People with severe and recurrent depression could benefit from a new form of therapy that combines ancient forms of meditation



with modern cognitive behaviour therapy, early-stage research by Oxford University psychologists suggests. The results of a small-scale randomised trial of the approach, called mindfulness-based cognitive therapy (MBCT), in currently depressed patients are published in the journal Behaviour Research and Therapy.

In an experiment, 28 people currently suffering from depression, having also had previous episodes of depression and thoughts of suicide, were randomly assigned into two groups. One group received MBCT in addition to treatment as usual, while the other just received treatment as usual. The result indicated that the number of patients with major depression reduced in the group which received treatment with MBCT while it remained the same in the other group. The therapy included special classes of meditation learning

and advice on how best participants can look after themselves when their feelings threaten to overwhelm them.

Professor Mark Williams, who along with his colleagues in the Department of Psychiatry at the University of Oxford, developed the treatment said, "We are on the brink of discovering really important things about how people can learn to stay well after depression." According to an estimate, more than one in five people in UK suffer through depression at some point in their lives and about 5000 people in grip of the phenomenon commit suicide each year in the country.

Passco agrees to buy damaged paddy crop

Pakistan Agricultural Storage and Supplies Corporation (Passco) has agreed to procure 30,000-



40,000 maunds of paddy at Rs600 per 40 kg, which was damaged by rains in last Kharif. The agreement to this effect was reached in meetings between representatives of growers and Passco and Sindh Agriculture Secretary Agha Jan Akhtar from April 15-17. The paddy was damaged in Larkana, Shikarpur and Dadu areas and growers alleged that delay in procurement by Passco had caused this damage.

Pascal Lamy presents second report to the Trade Policy Review Body

WTO Director-General Pascal Lamy in his second Trade Policy Review report says, economic situation has continued to worsen for all WTO Members. The volume of world trade is projected now to contract sharply in 2009 by as much as -9 per cent, he adds. Lamy presented the report to an informal meeting of the Trade Policy Review Body on 14 April 2009. The global economic situation has deteriorated significantly since the last report was issued in January; he declares adding that developed economies have been most affected by the downturn so far. The industrialized countries, according to the report, have recorded a -1.5 per cent decline in real GDP from the third to the fourth quarter of 2008, the largest such drop since the OECD began keeping records in 1960. Japan saw the biggest reduction in output, with GDP falling -3.3 per cent, while the European Union and the United States were down -1.5 per cent and -1.0 per cent, respectively. Revised IMF forecasts are that the global economy will contract by between -0.5 and -1 per cent in 2009, the first such fall in 60 years. Output is forecast to fall by -3 to -3.5 per cent in developed countries, and to grow by 1.5 to 2.5 per cent in emerging markets and developing economies.

World trade (average of exports and imports) in real terms declined sharply towards the end of 2008 and into 2009 (Chart 1). According to one set of monthly estimates², the volume of world trade fell -7 per cent in December 2008 (seasonally adjusted, month-on-month) after dropping by -5 per cent in November. January 2009 saw a further monthly decline of -7 per cent month-on-month and -17 per cent year-on-year. The volume of the global trade, report pronounces, have been driven lower by the collapse in global demand and by shortages of trade finance that have created supply-side constraints to export growth in many developing countries. A worried DG is of the opinion, that "No-one can foresee clearly how deep this recession may be, nor can how long it might last, but there be no doubt about the fragility of the world economy."

There has been a marked increase in protectionist pressures globally since September 2008, driven by demands to protect domestic jobs and businesses.

There was also an increase of 16 per cent in the initiation of anti-dumping investigations in the second half of 2008 (120) compared to the same period in 2007 (103). main users of anti-dumping, measured by investigations initiated, were India, Brazil, Argentina, China, Turkey, and the European Communities, while the main targets of anti-dumping investigations were China, the European Communities and the United States.

One result of these developments is that the large trade and current account imbalances of the past few years are unwinding. Revised figures indicate that the U.S. trade deficit shrank from US\$181.3 billion in Q3 2008 to US\$132.8bn in Q4, and the deficit is reported to have narrowed by a further 9.7 per cent in January 2009 to its lowest level since October 2002. Meanwhile, Japan recorded its first current account deficit in 13 years, and China's trade surplus is contracting.

US cotton industry worried over Indian subsidy

The US cotton industry has expressed its concern over subsidies being provided by the Indian Government to its cotton growing farmers, alleging it is in violation of the World Trade Organization's (WTO's) norms. Testifying before the US International Trade Commission hearing on "India: Effects of Tariffs and Non-Tariff Measures on US Agricultural Experts", the National Cotton Council - the central organisation of the US cotton industry - has sought the administration's help in this regard.

"The lack of transparency in the operation and scope of India's subsidy programme is a major impediment to trade. Despite India's membership in the WTO, it has repeatedly failed to notify its support levels to WTO" Gary Adams, of the National Cotton Council, said. The special hearing was convened by the US International Trade Commission at the direction of the US Senate Committee on Finance in this regard. Adams urged the US Government that it should continue to press India to make these submissions.

"The export subsidy (to cotton farmers) programme will support India's internal prices while artificially increasing its competitiveness in world market," he argued.

(PTI)

