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Fight against Corruption is Political

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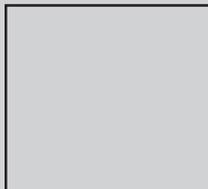
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Poverty Redefined

It is shocking that Planning Commission has worked out a new poverty line definition according to which if a man can spend Rs 32 a day for his survival, than he is not below poverty line. A labourer who has come from Odisha, Jharkhand or Bihar and stays in a jhuggi says, "I and my wife are earning Rs 350 a day but unable to make both ends meet. My three children keep on crying for biscuit or something when a hawker passes by but cannot afford.

A Scavenger who says " I can earn approx Rs 90-100 a day. I am alone and I can hardly eat to fill." Riksha Puller who says "I earn almost 200-250 a day and it becomes difficult for me to feed my wife and three children, so my wife works as a maid and earns another 800 a month. We could never afford to give milk to our children. Two of them go to Govt School and have their lunch there as midday meal. I am thinking to put third child also in school so that at least he also can have his lunch at school."

A beggar who says " I can earn invariably Rs 80 to 90 a day and still find not sufficient to fill my tommy. Some times I go without food ." Present UPA Govt is on the path of breaking the back of the so called common man on whose shoulders the Govt was formed. As per the calculation of the Planning Commission, there should be no person below poverty line in India. This is a cruel Joke. What the whole world will think of an Indian whose Govt says that an Indian is well off with Rs 32 a day. That is why India is categorized among Congo, Afghanistan and Pakistan so far as crime against women is concerned. India is worse than the African countries so far as Malnourishment of children is concerned. India is among top most countries, if not on top, so far as Corruption is concerned.

It is high time that Govt should accept its mistakes and correct itself to restore the faith of citizens if this Great Country.

– **Col (Retd) Sat Paul**, Sainik Colony

Shrinking agriculture land

Indian economy is mostly based on the rural agricultural production. Around ¾ th of the total population of India is living in the rural and semi - rural areas of this country. Apart from this, around 80 percent of the population is involved in the agricultural sector most of the time in the whole year to earn their bread and butter. But in order to compensate the growing needs of the life today, agricultural land is being converted either to big industries or in making palatial houses to seek shelter caring least about the reduction of the crop production due to shrinking of the fertile land. Land mafia has illegally encroached upon the state land in connivance with the revenue authorities, law enforcement agencies and above all with the silent approval of the bureaucratic and political bigwigs. As a result of it, the poor are getting deprived of buying land due to sky rocketing and soaring prices. It is a criminal wastage as well an offence to convert the agricultural based land for sole profiteering purposes .The Government must implement certain stringent laws to check its perpetuation in the near future. Otherwise days are not far off when we shall have to rely on the import of eatable items to survive which will further lead to inflation and making life a hell to live in this nation.

– **Khushwant S Ranial**, Jammu.

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Quote-Unquote



Proposed Communal Violence Bill is a move to keep India divided on majority and minority issues and is absolutely 'destructive & dangerous'.

Mohan Bhagwat

Sarsangchalak, RSS



If the Prime Minister has confidence in tainted Ministers, the country is bound to lose confidence in the Prime Minister.

Arun Jaitley

Leader of Opposition in Rajya Sabha



Do not lecture us on human rights. We know how the West took people to Guantanamo Bay and what kind of treatment was meted out over there.

Omar Abdullah

Jammu & Kashmir Chief Minister



If an arid land in Jamnagar can be converted into the refining capital of the world, I feel anything can be done.

Mukesh Ambani

Managing Director of RIL

Contemptuous Description of Poverty

"Poverty is the worst form of violence." — (Mohandas Gandhi)

The Planning Commission in an affidavit to the Supreme Court has said that the below poverty line (BPL) population in the country is 40.74 crore and the poverty line for the urban and rural areas could be provisionally placed at Rs.965 per capita per month (around Rs.32 per day) and Rs.781 per capita per month (around Rs.26 per day), respectively. The affidavit was filed in pursuance of the May 14 order of the apex court which said that according to the expert group headed by Suresh Tendulkar at the price level of 2011, it was impossible for an individual in urban and rural area to consume 2,100 calories in Rs.20 and Rs.15, respectively. The bench's order asked the Planning Commission to "revise norms of per capita amount looking at the price index of May 2011 or any subsequent dates". The Planning Commission, let us recall, was set up by a Resolution of the Government of India in March 1950 in pursuance of declared objectives of the Government to promote a rapid rise in the standard of living of the people by efficient exploitation of the resources of the country, increasing production and offering opportunities to all for employment in the service of the community. The Commission was charged with the responsibility of making assessment of all resources of the country, augmenting deficient resources, formulating plans for the most effective and balanced utilisation of resources and determining priorities. Planning Commission now envisages for itself to play a mediatory and facilitating role, keeping in view the best interest of all concerned. It acts as a premier think Tank for the government. Its responsibility increases multifold given the nature of Indian society where vast sections are historically underprivileged and deprived and hence incapable of confronting the increasingly complex and competitive nature of integrated economy of the present times. It is expected from the Commission that it helps government in formulating such policies as would help these deprived and poor Indians to come out of the vicious circle of dispossession. But with the submission of the affidavit defining poverty in the way it has, the commission demonstrated its insensitivity to the neglected class of Indian population. This gives credence to the allegations that the current Deputy Chairman of the commission is pursuing an agenda of corporate and MNC's. He has interests of the western masters more close to his heart than the basic needs of the poor Indians.

This affidavit has rightly caused the uproar in the country leading to a prickly uneasiness in even Congress Party. Food experts and policy analysts are of the considered opinion that the affidavit of Planning commission is neither result of any authentic survey conducted by the agency nor is it related to any poverty alleviation programme. On the contrary it is an effort to kill proverbial two birds with one stone. One is the right to food Bill which was discussed with much fanfare to demonstrate the humane nature and pro-poor concerns of UPA chairperson. The Bill finds itself in controversy because of the inhibitions in the government about its budgetary fall out. Reducing the number of poor, though technically only, was thought to be an escape route. Planning commission is seen to be preparing that route by defining the poverty line in such an insensitive manner. With the technically reduced number of poor below poverty line the government will not be able to use the 'lack of funds as an excuse to reject the proposed Food Security Bill. This will subsequently allow the Congress Party to use the Food Security Bill as an election issue. Second objective, it is said was to please the western masters who are keen on plunging budgetary deficits of developing countries by reducing the subsidy provided to the poor. Poor Indians who are being defined and redefined are no where in the picture except for being used as a number in the data. Poverty, we all know, is widespread in India, with the nation estimated to have a third of the world's poor. According to a World Bank estimate, 41.6% of the total Indian population falls below the international poverty line of US\$ 1.25 a day. "According to Prof. S. Tendulkar committee report, which was charged by the government to measure poverty, 37% of India's population is believed to live below the poverty line. Mr.Arjun Sengupta had reported that 78% of the population lived below 20 rupees a day. Instead of making a mockery of these underprivileged Indians by pushing poverty line downward government must focus on the result oriented programmes that will improve their living standards and bring them above that line.



Fight against Corruption is Political and Shell continue unabated: Swadeshi Jutaan

There is a compelling need to bring together all those who are concerned and even angered by the present situation to make them think together, work together, and move together. They need to search for new leadership, principled and honest like that which Lok Nayak Jayaprakash Narayan provided in 1970s. This urge is felt every where by everybody and was visible in Swadeshi Jutaan. As Sh. S. Gurumurthy put it in his appeal, People are eagerly waiting for anyone who can lead them

out of this mess created by corrupt, inefficient and dishonest rulers in the past six decades.

The current system put in place after India became free is actually endorsing loot and corruption. Continuous undermining of people's desire to have an improved life style in a participatory democratic manner has enhanced the intensity of anger and disquiet to unacceptable levels making 'systemic change' the need of the hour.

Never in our history has a central government at all levels, from

the top to the bottom, been accused of bribe, corruption and pay off. Never in our history has the sums of bribery been in hundreds of lakhs of crores measurable as a proportion of national budget aggregates and GDP as now in the different scams unveiled by Comptroller and Auditor General [CAG].

Apart from, but related, to corruption is the black money stashed away abroad by Indians. Black economy has always existed in our country from at least the 1960s. But the growth of Indian



Bajrang Muni
(The Constitution Analyst)

Rev. Bajrang Muni Ji in his statement explained the meaning of Swadeshi and described it as indigenous and connected with the soil. He also stressed the need to have the rule of Constitution. India, he emphasized has a Constitution and that must prevail. We need to make necessary changes in India's constitutional system which will in turn eliminate corruption. Muni Ji was of the opinion that corruption was result, not the reason of systemic failure. He underlined the vagueness of the Constitution of India and focused on its modification. He was for the framing of a "Swadeshi Constitution" for India. Such a constitution will have a governance system controlled by people of India and not just a system that ensures only appointment by people. □

black money stashed away abroad has been unprecedented in recent times.

One of the reasons for the growth of black money abroad is that liberalisation and globalisation has produced huge paper money and digital money the creation and movement of which is unrelated to the real economy. This has increased the financial gap between the rich and the rest by an unbelievable and seemingly unbridgeable margin.

The Global Financial Integrity has estimated the black wealth of India stashed away abroad at \$480 billions, which is more than 2/3 of the total black money generated in India. It has also said that the amount of black wealth generated after the onset of globalisation in 1991, in just 17 years, is more than 2/3 of the total wealth generated in 60 years since 1948. Significantly, the generation of corrupt black money and its flight out of India has accelerated both in volume and proportion after the globalisation policies were implemented. More than 72% of the black wealth generated after 1991 has been stashed away abroad. The GFI says that the reason for this huge money being smuggled out



of India is not high taxation, but bribery, kickbacks and corruption besides crime monies, as taxation which was a reason for the flight of money from India is among the lowest in the world and is no more the reason for keeping money away from India.

There is a direct relation between corruption, kickbacks and crime and black money stashed away abroad. These crimes against the nation — actually financial treason — have robbed the nation of its wealth, government of its taxes and people of their much needed infrastructure and other basic needs. More than just corruption, as the Supreme Court said, it is clear loot of the nation. It shows

up the moral decadence of the rulers and higher echelons of the otherwise morally driven society. The people of India have, despite their hard life, maintained a simple and honest life style. The lost Wallet Test has placed the Indian society above some of the most prosperous societies in terms of honesty and integrity.

Just one example of the decadence in the ruling class today. The highest in the political hierarchy is suspect. A former Prime Minister of India is accused, by responsible media outside India, of having stashed away his bribes of \$.2.5 billions in secret Swiss bank accounts. The family of that Prime Minister is now controlling this



Kavita Kurganti

(National Coordinator, ASHA)

Kavita Kurganti in her exposition said that corruption in this country is much reprehensible and also rampant. Agriculture the backbone of our economy is not untouched by the menace. She further added that the millions of Farmer's being forced to commit suicide in this agri-based country is a reflection of the unbridled sleaze in the policy being adopted in country's agriculture sector. Kavita elucidating the need to protect the farmer, the bread Provider of the country and out lined steps that can lead to revival of the sector.

She highlighted the extent of corruption in agriculture by explaining the ways in which Land, seeds, water, technology and other inputs are manipulated to earn profits. world's largest seed company Monsanto does not hesitate to sell poison in the name of seeds, she continued. Earlier Farmers used to know the type of crop they are producing and what suited them and their land. But now that is being changed. Now it is PPP between governments and large seed companies which results in the regulatory Bills like BRAI, she argued. □



Raghu Yadav

(MLA, Haryana)

Mr Raghu Yadav pointed to the uniqueness and distinctiveness of Indian land mass. It is a great nation, he said. It is the land of Bhagwad Gita that expounds the Philosophy of Yoga stressing the importance of spirituality including Atma and Parmatma (Limited consciousness and universal consciousness). Sh. Raghu Yadav also spoke about the different streams working simultaneously for the freedom of country during India's freedom struggle, while one set of people wanted to change the government by expelling the British others like Shaheed Bhagat Singh, Subhash Chandra Bose, etc. who wanted to free the country from foreign clutches completely including the British system of governance. He stressed the need to take the fight of these freedom fighters to a logical conclusion and put a swadeshi system in place. □

government. How could this government then act to bring back the black monies stashed away by Indians abroad? With those suspected and accused of bribery and corruption are running or controlling the government, there is very little credibility left in the rulers today. As a result, the government seems to have come to a grinding halt and so has governance.

The nation is facing a huge moral and ethical challenge. The leadership of the nation has turned shameless. The common man is agitated. The huge response to the initiatives of Anna Hazare and Swami Ramdev is clearly indicative of the level of public anger against the corrupt rulers. The opposition parties are not seen as aggressively fighting the corruption of the rul-

ing party at the centre because of their own in-house issues. With the result corruption which is a highly political issue is in the hands of defused apolitical initiatives which are not well organised.

Corruption and black money abroad are eating into the vitals of our country and affecting national interest, including national economy, its security and integrity. People of India have demonstrated their anger and resentment throughout the country. Different initiatives have been energised by the present atmosphere of anger against corruption and debauchery.

Another important development is that the global financial system which produced unprecedented paper money — over \$600 trillions of derivatives — and an un-

heard of discriminatory growth model is virtually collapsing. Even though, fortunately India has not fully integrated into the global trading and financial system, there are still forces driving India in the direction in which the Western world has traveled to the present crisis. But if the Indian thinkers wake up and begin think as Indians and for India, there is still scope for preventing the disastrous consequences. There is a need to generate awareness among the thinkers and the people alike on this critical issue.

It is in this background that SJM decided to take the plunge and invite like minded people to the conclave named 'Swadeshi Jutaa' to bring together those concerned over the issue of Corruption, Indian Black money abroad and the economic model which leads to both and make them contemplate on the causes of the present malady and the remedy for that.

This two-day conclave initiative of **Swadeshi Jagran Manch** was organized on Sept. 3rd -4th, 2011 at Adhatyama Sadhna Kendra, Chhattarpur, New Delhi.

The focus of the resolution passed was the faith that 'We can eradicate corruption and bring our national wealth back only through political means. In this effort we should take help of all social and non-political organizations.' In this



congregation 892 individuals from 105 organizations participated and expressed their views on topics such as systemic change, black money and fight against corruption.

National Co-convenor of Swadeshi Jagaran Manch and noted economist S. Gurumurthy made the inaugural speech. He said that today financial, cultural and social crisis-ridden world is looking for an alternative. India has an opportunity to present its “concept of life” to the world.

Gurumurthy said, “The United States of America is exporting crisis to different countries of the world. There is no single model to run the economy. We have long tradition of saving economy and should continue with that.” He argued that economies which saved themselves from financial tsunami were family-based, bank-oriented and had a culture of thrift.”

He said that our civilizational consciousness is not manifested in political, social and intellectual life of the country which is a prerequisite if India has to show the path of progress to the world.

Ex-Union minister and president of Janta Party Dr. Subramanyam Swami said that his petition put A. Raja behind the bars and the days are not far off when P. Chidambaram would also be in jail. He said that it is simple economics that when supply of any commodity increases rates as a nat-



ural consequence decrease but now supplies are increasing and rates of almost every item is also increasing. There is something wrong in the model that we follow and that needs to be rectified.

Ex-MP Arif Mohammad Khan said that if there would be no accountability then corruption would definitely increase. He said in unequivocal terms that our Prime Minister claims to be helpless but the common man of this country is not helpless that is why movement of Anna Hazare succeeded.

At a time when the issue of land acquisition has gathered heat and the government is ready to pass a new land acquisition bill, National Secretary of the BJP and Ex-convenor of Swadeshi Jagran Manch Murlidhar Rao, said that land is not merely a commodity that can be compensated for. The person who owns the land shoulders

the responsibility to feed others.

Murlidhar Rao said that Swadeshi Jagran Manch was the first organization which raised the issue of Black Money. He stated that it was argued in support of liberalization that stashing of black money will stop but two-third of the total black money was stashed abroad in last 17 years. He argued that corruption is not just an economic issue. Sovereignty of the nation comes under threat if our \$480 billion is stashed away as black money. We have to start a decisive battle against corruption.

National Convenor of Rashtriya Swabhimaan Andolan, Sh. K.N. Govindacharya, said corruption should not be understood just as a legal issue. It is a moral one in which the accused presents himself for investigation. If he does not do the same he should be considered a culprit.



Anil Hengde
(Activist)

Anil G highlighted the problems of workers engaged in BIDI making. He said that their situation was grim and depressing. No attention is paid to their condition. More than 50 million workers, highest in any job like that are working in inhuman conditions. 90 percent of these workers are Muslim women. Even this fact does not jolt policy makers. He expressed his pain and anguish over the fact that while people in lakhs came out to support high profile anti corruption movement of Sh Anna Hazare, no one was willing to support these unfortunate workers who are victims of corrupt practices. □



Govindacharya said everyone should get united for systemic change and fight against corruption. We should rise above ideologies and other biases to fight corruption which is the greatest enemy of the time. We can fight this long battle only with the spirit of Dialogue (*Samvad*), Consensus (*Sabmati*) and Co-operation (*Sahkaar*). For long battles we need stamina more than speed.

Ex-Union Minister Dr. Sanjay Paswan said that NGOs private sector and corporate sector should also come under the ambit of the Lokpal Bill. He argued that the dalit community does not find sufficient representation in the mainstream which keeps them aloof from such debates. They should come forward and play a

leading role in the fight against corruption. If corruption is eradicated from the system the marginalised and dalit sections of the society will benefit the most.

Farmer leader Rakesh Tikait said farmers of this country suffer the most from the existing system. 2.5 lakhs farmers committed suicide just because of BT-Cotton, a seed for cotton crop. Imagine if there would be monopoly of corporate companies on seeds then what would be the condition of our farmer.

Agri-expert Davendra Sharma said that more than 40% farmers want to leave agriculture if given an option. Government should establish a commission on direct income support for farmers.

Ex-MP Mahesh Sharma,

Farmer leader Rakesh Tikait, Agri-expert Devendra Sharma, Ex-Minister Swami Chinmayanand and Anil Hegde also delivered speeches. On this occasion, Ex-Union Minister Kashi Ram Rana, Ex-Union Minister Satya Narayan Jatia, senior journalist Ram Bahadur Rai, Ex-MP Virendra Singh, Convener of Swadeshi Jagran Manch Arun Ojha and other eminent social and political activists were also present.

Anger and resentment displayed by the people across the nation is accompanied by a determined resolve to put an end to this menace of corruption particularly at high places now. This is evident from their voluntary participation in efforts of several well meaning people who have joined



Dr. Sanjay Paswan
(Ex. Union Minister)

Sanjay Paswan in his address spoke about the definition of corruption and stressed the need to have a comprehensive definition of the term. Present definition of corruption is borrowed from the UNO, he pointed out and it is confined to the irregularities in government system. ADB also defines corruption in its own manner. The definition of corruption which was discussed during the recent LokPal agitation also remained restricted to corruption in the government, Mr. Paswan explained. He emphasized the need to change this perception and include corruption of every kind into consideration.

Dr. Sanjay Paswan also spoke about the neglect and deprivation of Dalits. While presenting a Dalit perspective he underlined three distinct ideological streams in Dalit movement in the country. These three can be termed as Left wing Dalits, followers of Dr. BR Ambedkar and the followers of Babu Jagjivan Ram, he continued. While the first two streams are aware and awakened the third one is not visible, though it is very much alive, Paswan remarked. He expressed optimism about the successful conduction of Jutaaan and hoped that it will lead to systemic change and also in creating an effective alternative as the time for such a change was most conducive. □

Statement issued after conclusion of Swadeshi Jutaan**Statement of Swadeshi Jutaan**

- ◆ Swadeshi Jutaan held on September 3 & 4, 2011 at Adhyatma Sadhna Kendra, Chhattarpur (Delhi) concluded after discussing burning national problems.
- ◆ The issue of corruption among various national problems needs to be given utmost priority. We understand that fight to end corruption is a political fight. To battle this menace of corruption support from non-political society is very much needed, but direction of the fight should essentially remain political. This perception is the basis of the fact that this issue is political.
- ◆ Corruption is not undefined. It has a legal definition. Misuse of political power for selfish interest is corruption.
- ◆ Corruption and black money are closely related. A huge portion of black money is deposited in foreign countries. We need to wage comprehensive struggle to bring back this money.
- ◆ Corruption and black money stems from the present political system, which is the result of continuation of imperialistic system of loot and plunder. Our public life is plagued by many misdeeds of the present political system. We must sincerely understand the fact that unless this system is changed the fight should continue unabated, because current political system is sheltering the ongoing plunder. This means that present fight against corruption is the fight for systemic change.
- ◆ We understand that black money is ruining our public like bugs. Finding solution for the same is the Snatan Dharma. Democracy is today's 'Yugdharma'. Do consider Swadeshi Jutaan as 'Dashnami Akhada' as the war place of this fight.
- ◆ This also needs to be understood that on the one hand size of black money has incessantly been growing like 'Sursa' and so are its implications for security, economy and production of the country. Political alternative, though small in size like 'Hanuman', but it can be the solution.
- ◆ This is possible if consciousness about nationalism could be aroused and imitation of foreign model is stopped. Neo-capitalism is being considered to be an alternative of capitalism in Europe, where state intervention is the key. Bharat has to search for its own state system. Jai Prakash Narayan had given some suggestion in 1954 in the process of search for the same. The basis of the new system should be indigenous thinking and decentralization. In fact western model of development has been increasing the existing social inequalities and distortions. We need to solve these too.
- ◆ For fructifying these efforts nationalist forces need to join hands. Farmers, workers and Dalits are the victim of this exploitation. A struggle is needed after taking along everybody. We have to give up discrimination to carry forward the fight.
- ◆ Collectiveness is possible in a process. This process will go on at two levels- intellectual and practical. The Swadeshi Jutaan will be meaningful if people belonging to all classes, ideologies and beliefs are brought together. There is an urgent need to organize similar Jutaans at regional level and provide a platform to the people to come together and to commit to this fight against black money and corruption and generate a new course of struggle. □



Muralidhar Rao
(National Secretary, BJP)

Muralidhar Rao, one of the leading architects of the 'Swadeshi Jutaan' expressed his views on several aspects of the subject. He talked of land acquisition row in various parts of the country and said that land in India is not a commodity and needs to therefore can't be traded or compensated like any other industrial product.

Murali ji also spoke about the adverse impact of black money nation including its security and sovereignty. Talking about fight against corruption and black money Murali ji stressed the need for rising above parts and group affiliations to forge a unity among like minded people to ensure success. □



Arif Mohammed Khan
(Ex. Union Minister)

An overwhelmed Arif Mohd Khan expressed his pleasure to have got an opportunity to participate in the Swadeshi Jutaan. He thanked Dr. Mahesh Chandra Sharma for the same. He was also delighted to listen to learned speakers who according to Sh. Khan brought out eye-opening facts on various aspects of national importance.

Talking about the changing perception of corruption in the society, Sh. Arif Mohd. Khan was of the view that any point of view that has got political, social and moral sanction can not be changed by mere framing of a Law. Speaking about his experiences, he stressed the need to practice what is being said. We have to change from within, this change can't be effected by any outsider, he continued. He also stressed the need to have public awareness and accountability for successful democracy in the country. □

hands to channelize the tremendous amount of energy unleashed by the recurring disclosure of scams and scandals. Number of well known persons who attended the Swadeshi Jutaan and resolved to mobilize their resources to ensure that the public anger results in a lasting change in governance and ensures a proper and effective system in place to check

the cancerous disease in body polity of our country was immense and overwhelming.

Swadeshi Jutaan, an initiative of Swadeshi Jagran Manch to bring together all the active patriotic citizens, organizations and individuals who believe that 'systemic change' is the need of the hour proved to be timely and full of possibilities for the future. It was successful in con-

vincing participants about its efficacy as a forum to share their resolves, sensibilities, ideas and suggestions. *Swadeshi Jutaan* succeeded in conveying the message of the need and way to rebuild the public opinion for an alternative system. It could well be the commencement of a new political system and accountable and transparent public life. □□

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Is anything more corrupt than A Govt Buying MPs?



*Is a meaningful crusade for clean public life possible without standing by those who resist temptation & dare pull the plug on graft at the highest level? asks **Balbir Punj***

During a recent meeting in Ralegan Siddhi, Anna Hazare's team decided to renew its fight for probity in public life. One could say it is also time to judge the impact of his campaign on the system, asking some relevant questions. Has the first, "successful" phase of the movement really touched the collective conscience of 'civil society' and affected the attitude of the ruling establishment towards corruption? Or is its influence superficial?

Stripped of hyperbole, the real achievements of the movement are modest. Nothing has changed for the better on the ground. Our venal rulers continue on their course, smug as ever. Otherwise, the two whistle-blowers, Faggan Singh Kulaste and Mahavir Singh Bhagora, former Lok Sabha MPs (both of the BJP), would not be behind bars for exposing the cash-for-votes scam of July 2008, and their third comrade, Ashok Argal, would not be facing arrest.

The establishment's vindictiveness is blatant of course, but on predictable lines. What is really shocking is the deafening silence on the part of civil society. Is a meaningful crusade for clean public life possible without standing



by those who resist temptation and dare pull the plug on graft at the highest level? These three honourable men had done just that.

Actually, the anti-graft crusade started in the lead-up to the 2009 Lok Sabha elections, with BJP leader L.K. Advani constituting a task force to go into the issue of corruption at the top and Indian black money stashed abroad. The task force's analysis hit the nail on the head: the virus begins with people at the top bartering favours at the expense of the exchequer in order to enrich either themselves, their kin, or organisations they or their

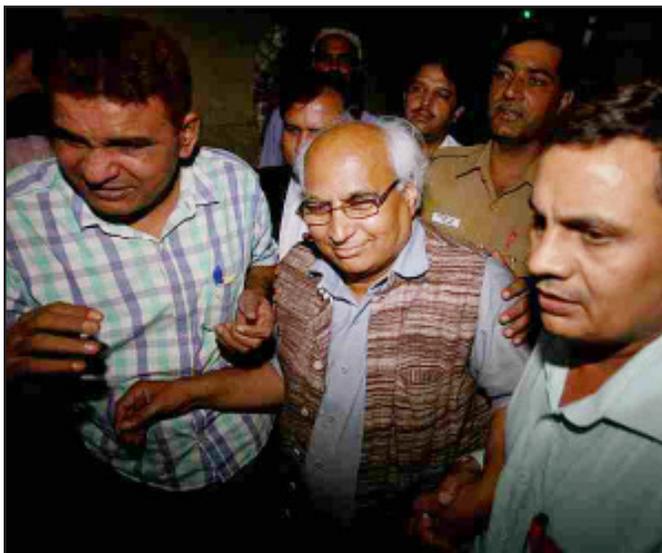
kin have links with. One recalls the pledge Advani took not to hold any office till investigations into the hawala diary case did not clear his name. He rejoined Parliament only after he was proved innocent in the courts. It is from this that he derives the initiative and moral strength to take up the fight against corruption.

Approached by dalals of the beleaguered Manmohan regime and the Sonia Gandhi-led Congress at the fag end of the previous Lok Sabha term, when the UPA-I government was facing a trust motion on the nuclear deal,

the three MPs promptly informed the BJP high command. They had the option of accepting crores in silence, but did not. Instead, as advised, they decided to expose the sordid drama through a sting operation, with the help of a TV channel. The TV channel let them down and they were left with no option but to bring the cash to the Lok Sabha, display it, and expose the sleazy game in front of the entire country. In any other civilised society, such men would have been hailed as heroes and honoured while those who tried to bribe them would have got their just deserts.

It is just the reverse here. The arrest of Amar Singh in the case is part of a cover-up operation. He was but a mercenary, doing a dirty job at the bidding of those who were the ultimate beneficiaries of this murky enterprise. Obviously, the cash did not belong to him. The investigating agency, the Delhi police, has neither tried to trace the origin of the cash nor brought to book the faceless persons who had written the script and directed this squalid drama. The theatre of the absurd is complete. The Delhi police has spared the faceless crooks and put the fearless crusaders behind bars. The message is clear: Say 'no' to temptation offered by the Congress and, to be sure, you'll be damned.

The shameful event and its aftermath is full of ironies. The rulers, swearing by the sanctity and supremacy of Parliament



while dealing with Anna's team, have subverted that very institution. And Anna's team, which had received nationwide support in its fight against corruption and the corrupt, has been indifferent to this issue, staring at us in the here and now. Why is that? Because the three heroes of this ignoble saga belong to the much-abused and demonised tribe of politicians. They resisted and exposed graft and are paying for it. So shouldn't 'civil society' have rushed to help them?

In fact, the silence of 'civil society' on this stormy issue has to be seen in the backdrop of events leading up to the conclusion of Anna's fast. There is little doubt that those who manipulate the system to fatten themselves are indeed cunning and ingenious. Otherwise, the recent anti-corruption crusade would not have ended with the issue being reduced to

whose Lokpal bill should be the template for action.

The scamsters who are now facing trial in the 2G case are claiming that whatever they did has had the written or tacit approval of the prime minister and the then finance minister and that the two should therefore be summoned as witnesses. There was a report the other day that a SEBI board mem-

ber has revealed that the current finance minister was trying to influence SEBI in cases involving some leading corporates. Surely, this indicates it is the Congress that is the fountainhead of corruption—more so than officials or bureaucrats at any level. Therefore, the focus of the debate on corruption must be on the Centre.

With 24x7 TV channels focusing on the swelling support for Anna's team and the countrywide concern for the fasting crusader, UPA-II was able first to delineate the minimal demands of the team for the fast to be called off. The campaigners settled on three points, and the entire debate was turned around: instead of fixing the spotlight on those whose corruption was writ on every wall in Delhi, it was directed against an abstraction—corruption in the future. When it is evident who is corrupt now, at the political level,

With so-called civil society idealistically setting its eyes on fighting an abstraction—future corruption—the reality of the cash-for-votes scam goes almost unnoticed.

is it not a bit ridiculous to debate a future Lokpal to look at future corruption and the jurisdiction that body should have?

As the concern for Anna's health rose across the country, the debate was becoming one of 'civil society' versus Parliament. In effect, the contention was reduced to a question of semantics. And finally when it all ended, with the whole Parliament thumping the desks and adopting the joint resolution by this demonstration of support, the Congress must have breathed a sigh of relief. The spotlight on the corrupt had been switched off—even if that was only for the time being—and the entire focus was on restraining countrywide corruption in the future; a parliamentary committee was to design the tools for doing that. In this manner, the Congress was able to lead by the nose the debate on black money and corruption.

For the next three months, the country may watch with bated breath how this standing committee, headed by a Congressman, tackles the several proposed versions of the Lokpal bill and arrives at one acceptable to all stakeholders. Meanwhile, the prime min-

The focus of the fight against corruption should be on UPA-II. After all, some of the accused in the 2G scam have even said that spectrum sales had the tacit approval of the PM.



ister, who is said to have approved with his silence the handing of 2G licences to the undeserving, may relax. Delhi chief minister Sheila Dixit, exposed by the Shunglu committee and the CAG report on the CWG contracts—the money spent by her government was ten times what the committee headed by Suresh Kalmadi spent—can also take it easy.

So where does the battle against graft and exposing and punishing the corrupt stand at this juncture? No doubt, the stature of Anna and his team has gone up several notches in the public mind. People at large have a sense of victory over the system. Public awareness on corruption and the need to fight it is high. Especially in the middle class. In real terms, however, despite Anna's campaign, there's little to show on the ground. The original goal of bringing back Indian monies stashed abroad seems to have been com-

pletely forgotten. While the focus is on corruption in generic terms, the most visibly corrupt faces continue to be safe in their positions of power. They continue to manipulate the system to save the guilty and target innocents. An unscrupulous and a ruthless establishment continues to persecute, slander and vilify those who dared to raise their voice against its venality and frauds.

In its second phase, Anna has decided to focus on the long-pending issue of electoral reforms and performance audit of MPs. These are not metaphysical and abstract issues. They have germinated in the given framework of Indian politics. Can there be any meaningful movement on such issues divorced from the given context? Will Phase 2 of the movement also end in a sense of victory but without any tangible achievements to its credit? □□

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Farmers in Andhra Pradesh are left with no option but to go on a ‘crop holiday’



*Decades of incessant neglect and apathy has pushed agriculture sector into a terrible crisis making farming unsustainable and economically unviable and farmers a community at the receiving end of official apathy, underlines **Dr. Devinder Sharma***



There is something terribly going wrong with agriculture. While nearly 40,000 farmers in Punjab, Haryana, Himachal Pradesh and Jammu & Kashmir have defaulted on repayment to the State Bank of India alone to the tune of Rs 600-crore, hundreds of farmers in the rice bowl of Andhra Pradesh, comprising the fertile and irrigated East Godavari and West Godavari districts, have refused to cultivate paddy this year, declaring a ‘crop holiday’.

What may appear to be two completely disconnected events

happening in two different geographical regions of the country is in reality a wake up call. Whether it is the northeast or the more productive northwest regions; whether it is Punjab, Andhra Pradesh, Tamil Nadu or Odisha; agriculture continues to be in the throes of what appears to be a perpetual crisis for survival. What is not realised is that it is actually a crisis of sustainability and economic viability.

It all began from the fertile konaseema region of East Godavari district in Andhra Pradesh where a small farmer

Suryabhagwan owning six-acres of land voluntarily announced that he would prefer to work as a ‘coolie’ than to undertake paddy cultivation. Already under heavy debt and knowing that another season of paddy cultivation will only add to his indebtedness, his call for a ‘crop holiday’ soon reverberated. Within a few weeks, the idea of a ‘crop holiday’ in the ongoing *kharif* season spread like wildfire and more than 1 lakh hectares in the two irrigated districts today lies barren.

Andhra Pradesh is a paddy growing area. While production has been steadily on an upswing over the years, adequate market infrastructure for procurement has not been created. The result is that despite a very high production capacity there is little space for storage. When Chandrababu Naidu was the chief minister, I remember one of his statements asking farmers not to produce more rice in *kharif* season as he has no place to stock the surplus grain. I am therefore not surprised to learn that from the previous *rabi* season (2010-2011) alone, an estimated 50 lakh tonnes lying with farmers, is still to be purchased.

Much of the unsold stocks of paddy are stored with farmers

Despite abundant irrigation and subsidised loan to farmers nearly 40000 farmers have defaulted on repayment to just one bank to the tune of Rs. 570 crores

in the two districts of East Godawari and West Godawari. Suryabhagwan therefore is absolutely right in deciding not to grow another crop of rice in *kharif* and be saddled with the additional harvest. This brings me to another popular thinking, being promoted by economists, policy makers and the private trade, that the government needs to withdraw from procurement and allow the private players to procure the grains. If the Andhra Pradesh government was to withdraw from paddy procurement, and knowing how private trade exploits the gullible farmers, I wouldn't be surprised to find more and more seasons of 'crop holidays'.

Like in Andhra Pradesh, the Ministry of Food and Agriculture announces procurement price for 25 crops every year but effectively procures only wheat and rice. Unlike Punjab and Haryana where the State agencies procure over 90 per cent of the grains flowing into the *mandis*, the Food Corporation of India has in other States outsourced its procurement operations. Such an arrangement has allowed farmers to be exploited by the private trade, and more often than not forces them into distress sale. Minimum Support Price (MSP) thereby loses its significance and farming becomes unviable. It is primarily because the farmer is unable to get a remunerative price for his produce that more than 40 per cent of the farm-

ers, as per a NSSO survey, want to quit agriculture if given a choice.

Even in the frontline agricultural states of Punjab and Haryana, where massive quantities of chemical fertilisers, pesticides and ground water are used, farming has become economically unviable. Despite abundant irrigation and subsidised loan to farmers, if nearly 40,000 farmers have defaulted on repayment to just one bank — State Bank of India — to the tune of Rs 570 crore (HP and J&K have defaulted by Rs 30 crore only), it clearly is an indication that agriculture in the Green Revolution belt has lost its sheen. Farmers in Punjab and Haryana have certainly not opted for a 'crop holiday' but by defaulting the banks they too have made a powerful statement. What is still worse is that such an acute economic crisis is happening in a state that has always been considered to be the harbinger of rural prosperity.

Interestingly, the subsidised loan was being provided at an effective rate of 4 per cent despite the rate of interest for agriculture being 7 per cent. The State bank is now holding 400 compromise camps for farmers where a final settlement can be made. I am told the situation in other states is no different. The non-performing assets of the banks from agriculture are piling up. This is happening at a time when a recent NABARD study shows that banks are in reality charging 14 per cent interest

(against the subsidised 7 per cent) by clubbing their extraneous expenses also as amount to be recovered from farmers.

The warning is loud and clear. The terrible agrarian crisis sweeping the country is the outcome of a continuous neglect and apathy. Over the years, agriculture has been deliberately pushed the downhill path. While the economic and scientific prescription to bail out the farming community invariably hinges on to providing improved and sophisticated technology, it is the declining incomes that is hitting the farm sector. The tragedy is that instead of providing more incomes into the hands of farmers, what is being offered is more credit which further adds on to farm indebtedness. No wonder, two-third of MNREGA workers are actually land owners. Clearly an indication that small farmers are unable to survive solely on agriculture.

Setting up yet another high-level committee is not the answer. What is needed is to provide farmers with an assured monthly take-home package. At a time when the monthly wages of government employees after the 6th pay commission have gone up by 150 per cent, monthly income of legislators and parliamentarians has risen by 200 to 400 per cent, education and health expenses have gone through the roof, and even the BPL families are getting the benefit of health insurance and PDS, it is only the farming community that has remained at the receiving end. What the farmers need desperately is a Farmers Income Guarantee Act that determines the monthly income package a farm family must receive. □□

Reclassify Expenditures in Public, Private categories



The plan, non-plan distinction in government expenditures as suggested by Chairman of Prime Minister's Economic Advisory Council should indeed be abolished to improve the quality of government expenditures, but, not to aid decadent welfare bureaucracy, cautions **Dr Bharat Jhunjhunwala**

Chairman of Prime Minister's Economic Advisory Council Shri C Rangarajan has suggested doing away with 'plan' and 'non-plan' classification of government expenditures. Presently these are categorized as 'capital' and 'revenue'; and plan and non-plan. Rangarajan has suggested doing away with plan non-plan categorization and retaining only the capital revenue categorization. Indeed there is a good case for doing away with plan non-plan categorization. Generally plan expenditures are considered to be productive while non-plan expenditures are considered wasteful. But that is not always the case. For example, capital infusion in a loss-making Public Sector Undertaking is classified as plan expenditure though it is unproductive. On the other hand expenditures on law and

order are classified as non-plan though they are the grease of economy. It seems to me the real objective of removing this distinction is that revenue expenditures on welfare activities, in particular, can be increased without facing the hurdle of non-plan categorization.

The plan, non-plan distinction should indeed be abolished. But the objective of Rangarajan, in my assessment, is not to improve the quality of government expenditures. On the contrary the objective is to allow increased expenditures on decadent welfare bureaucracy. The Government has created a huge army of government servants in welfare sectors in the last sixty years. This was started with the Community Development Programme in the fifties. It caught speed during Indira Gandhi's Garibi Hatao in the

eighties. Rangarajan now seeks to take this approach forward by removing the roadblock of non-plan categorization. The real objective of welfare expenditures is not to reach relief and development to the poor. Rather it is to lock the poor into poverty. The best youth among are employed in these jobs. That leads to a huge increase in the number of supporters of government programmes. Simultaneously the capacity of the people to resist tyranny of government servants is reduced because the best youth are co-opted in the government machinery and become agents of impoverishing the rest. This can be seen in operation across all social sectors.

Government teachers draw four times salary of private teachers but produce one-half results. People feel their children are getting free education while actually they are being locked into poverty by imparting of poor quality education. Patients are regularly asked by Government Hospitals to buy medicines from outside while the government supplies are sold in the black market. Village Pradhans have to pay 20 to 30 percent commission to these government servants for obtaining sanctions and payments under National Employment Guarantee



Scheme. Instead of empowering people to engage in self-earning vocations, they are being made dependent on government doles through this scheme. The game begins with implementation of economic policies that create poverty in the name of growth. For example, promotion of large textile mills has impoverished crores of weavers who now eke out a sorry existence under Employment Guarantee Scheme. Rangarajan wants to abolish plan non-plan distinction so that this cycle of poverty creation-and-alleviation can continue and the army of supporters of government can be expanded.

The Government has no place for energizing the people's energies. Gurudev Rabindranath Tagore said in 1904: "Today the thoughts of the Bengali people have been separated from the villages. Today the responsibility of providing water is that of the government. The burden of health provision is upon the government. For learning also one has to knock at the door of the government. The tree that flowered itself today begs the sky for a rain of flowers with its naked branches." The same message was given by Gandhi when he said that give the naked work, not cloth. The teaching is that the job of the government is to provide infrastructure and law and order so that people can flourish. But the Government of India is being guided by three lifelong bureaucrats—C Rangarajan, Manmohan Singh and Montek S Ahluwalia. The unsaid objective of these gentlemen is to promote the interests of their clan. Hence they implement policies that expand the army of government servants, kill employment of the people, co-opt

the best talent and ensure the rest remain locked in poverty.

The distinction between plan and non-plan should surely be removed. But it should be replaced with a classification of government expenditures in 'empowering' and 'disempowering' categories. The BJP Government had set up a Committee under chairmanship of Mr Vijay Kelkar to draw a roadmap for the implementation of the Fiscal Responsibility Act. Kelkar had suggested that the plan non-plan categorization should be replaced with 'public goods' and 'private goods' categories. Public goods are those services which a citizen cannot obtain even when willing to pay. These can only be provided by the Government. These include defense, currency, rail, canals, roads, law and order, justice, anti-malaria spraying, making curriculum and conducting exams, etc. These functions can only be done by the Government. Kelkar wanted the Government to increase these expenditures and, implicitly, reduce those on education, health and employment guarantee. The idea was that people will be employed and be able to buy good quality health and education from the market if roads and law and order were suitably provided.

The positive impact of expenditures on public goods is well established. Noted health economist K N Reddy concluded that expenditures on 'public goods'—mass education, research, Public Health Laboratories, and prevention & control of diseases—were more significant in bringing about a reduction in the Infant Mortality Rate than private goods. Yet, only 18 percent of the Indian government's health expenditures went to the provision of

these goods. In contrast, the provision of private goods like curative care in government hospitals consumed 57 percent of government expenditures but contributed very little to people's health.

The abolition of classification of government expenditures in plan non-plan is in the right direction. But this should be replaced with a new classification in public and private goods as suggested by Kelkar. The primary responsibility of the Government is to provide those facilities which people cannot obtain on their own-employment-oriented economic policies, roads, law and order and canals. But this policy is not beneficial for government servants. They will have fewer salaries if government monies are spent in making roads. There will be less malaria if village ponds are sprayed with anti-malaria insecticides and the need for appointing large number of government doctors will vanish. Hence the strategy is to cut expenditures on public goods, worsen the health and welfare of the people, then co-opt the bright boys into keeping rest of the people impoverished. Rangarajan has suggested abolition of plan non-plan categorization so that the Government can implement this despicable policy without scrutiny. The opposition must expose the real intentions of the present Government in increasing the so-called welfare expenditures. It must ask what economic policies are being implemented to empower the people into making self-respecting jobs? What is the government doing to arrest the eating of jobs by big industries; and what is the increase in government expenditures on public goods? □□

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Common Man Reeling Under Mismatched Economy



Despite increase in the interest rates number of times, there are no signs of any reduction in inflation rate. By the end of August 2011 inflation nearly touched the magic two digit number and food inflation went up to more than 13 per cent as compared to last year. But there is no end to RBI's love for contractionary monetary policy, explains Dr. Ashwani Mahajan

Petroleum companies have once again raised the price of petrol by Rs. 3 per liter on September 15, 2011 and price of petrol in Delhi has now gone up to Rs. 67 per liter. Hardly two months back have these companies hiked the price of LPG by Rs. 50 per cylinder, diesel and kerosene by Rs. 3 and Rs. 2 per liter respectively. If we recall petrol was being sold at Rs. 43 per liter in July 2010. Similarly, diesel and LPG were much cheaper than now. Though hike in petro prices is not a new thing, new is the fact that earlier prices of petroleum products were under control of the government, whereas since June 2010 they have been left to the companies' wishes, what government calls 'the market'. The UPA I government had reduced the prices of petrol by Rs. 9 per liter just before the general elections. However, immediately after the election they were raised twice. Since June 2010 (after the decontrol), the government had raised the prices of petroleum products at least ten times. The 'common man' already reeling under the inflation is feeling helpless

due to the policy of decontrol of petro prices.

Next day after the petrol price hike, that is, on 16th September, Reserve Bank of India (RBI) raised the repo rate and reverse repo rate by 0.25 per cent each to 8.25 per cent and 7.25 per cent respectively. Repo rate is the rate



at which commercial banks borrow from RBI and reverse repo rate is the rate at which these banks park their funds with RBI. The act of the RBI, raising these rates time and again (12th hike in less than 17 months since April 2010), can clearly be called the contractionary monetary policy. Generally it is believed that major cause of inflation is increase in demand in the economy. Therefore to keep in check the rising

demand, conventionally the central bank of the economy tries to increase the interest rates. However, irony of the situation is that despite increase in the interest rates number of times, there are no signs of any reduction in inflation rate. By the end of August 2011 inflation has nearly touched the magic two digit number and food inflation has gone up to more than 13 per cent as compared to last year. But there is no end to RBI's love for contractionary monetary policy.

Rate of Interest & Middle Class

Increase in interest rates burdens the common man by raising EMI on the loans taken earlier and also the future loans. Today common man of the middle class is already facing the burnt. In the last one decade, middle class who chose to take the benefit of cheap housing loans is left in the lurch, as EMI on loans taken in yester years have gone up drastically. His condition is miserable because he has to shed a large chunk of his budget due to ever-rising inflation. His savings are already nearing zero and he is forced to extend his loans

further to meet this sudden increase in interest rates.

Petro Price & Common Man

Government's argument is that hike in petro prices is inevitable in wake of mounting losses of petroleum companies. However, we must also understand that petroleum products are not just an item of consumption; it is raw material / fuel for public transport (rail, road and air) and also for the industry. It is obvious that increase in prices of petroleum product would raise the transport cost and also the prices of goods and services in general.

Previously the government used to determine the prices of petroleum products and prices were not generally increased more than twice in a year. Sometimes prices were even reduced, thanks to decline in international prices of crude oil. The government was also not giving any significant subsidy to compensate for so called losses due to low prices of petroleum products. In 2009 – 10 total petroleum subsidy from central budget was Rs. 14951 crores and in 2010 – 11 it was Rs. 38386 crores only. We know that highest crude oil price was recorded at US\$ 147 per barrel, about three years back. But price of crude never remain high always. In the last two years the minimum price of crude was recorded at US\$ 34.57 per barrel. Thus petroleum companies used to make up their losses when price of crude oil was low. They were even banking upon oil bonds to fund their losses and repay the same when crude becomes cheaper in international markets. These companies have been making significant profits even under control regime. It is

Petrol prices rise again, another hike in offing

The latest increase in petrol prices by state-owned oil refiners may be followed by another hike by the end of this month, increasing inflationary pressures.

Indian Oil Corp. Ltd (IOC) raised its price by Rs. 3.14 per litre and Hindustan Petroleum Corp. Ltd (HPCL) by Rs. 3.16 a litre in Delhi. After the latest increase, petrol costs Rs. 66.84 a litre at IOC outlets in Delhi, Rs. 71.92 in Mumbai, Rs. 71.28 in Kolkata and Rs. 70.82 in Chennai.

The increase viewed from Prime Minister Manmohan Singh's government reeling under corruption scandals and a steep rise in prices, especially food. More expensive fuel adds to commodity prices.

The refiners last raised petrol prices in May followed by the government increasing diesel, kerosene and domestic cooking gas prices by Rs. 3 per litre, Rs. 2 per litre and Rs. 50 per cylinder, respectively, on 24 June. While the Congress party-led United Progressive Alliance government decided to free petrol prices from state control in June last year, refiners still sell diesel at a government-mandated price.

The average price of crude oil in the Indian energy basket was \$110.65 per barrel in May, when the petrol prices were last raised and is hovering around \$110 per barrel in the current month. The current year's average of crude oil in the Indian energy basket is \$111.54 per barrel.

evident from the fact that ONGC earned a profit of Rs. 16041 crores in 2008-09. During this year GAIL made a profit of Rs. 2814 crores while Indian Oil earned Rs. 2570 crores and Oil India Rs. 2166 crores. In 2009 – 10 their profit increased to Rs. 16745 crores, Rs. 3139 crores, 10321 crores and 2611 crore respectively. It is worth noting that in these two years prices of petroleum products were under control of the government. Further agree not that in 2009 – 10 public sector under the central government earned a total profit of Rs. 93593 crores, out of which Rs. 32857 crores was contributed by public sector petroleum companies. In addition to these profits, central and state governments get a revenue to the tune of around 2 lakh crores from excise duty, sales tax etc. and therefore even if there is any notional loss to these petroleum companies,

they can be compensated from the government budget and common man could be saved from onslaught of inflation.

But it seems that common man is not in the priority of the policy makers. Way inflation is crossing all limits; it seems that there is no control up the government on inflation. Neglect of agriculture by the government causing shortage of agricultural products, raising interest burden of the government and increase in money supply to finance the deficit in the government budget is adding fuel to the problem of inflation. This can be called extreme mismanagement of the economy. It is imperative that the government thinks about measures to control inflation by adopting means other than raising interest rates and at the same time reestablished the control on prices of petroleum products in the interest of the common man. □□

Mass grave bogey debunked



*The statement of the Chief Minister of J&K regarding mass graves should be an eye opener to one and all. The facts he has enumerated must be a disappointment to all those who thought they were poised to corner his government, says **Dr. K.N. Pandita***

For some weeks in the past, PDP and other opposition parties as well as separatist groups have raised unprecedented hue and cry on “unmarked graves” in Kashmir whose count they claim to be running in thousands. They tried to highlight the issue in a partisan manner indirectly indicting the government for conniving at the killing of thousands of Kashmiris as a result of raging armed insurgency since 1989. The issue of unmarked graves was first raked up by the State Human Rights Commission and the protestors took the cue from its report. It is mystifying that the SHRC never thought of reacting on many other incidents of blatant violation of hu-

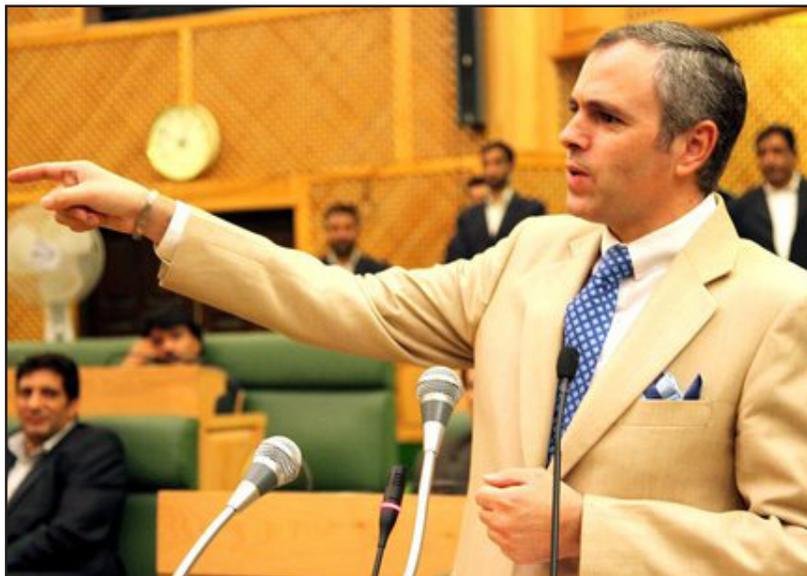
man rights in Kashmir like the rise of armed insurgency, attacks on and killing of innocent members of religious minority and forced eviction of entire KP community from Kashmir, atrocities committed by armed insurgents against innocent people of Kashmir, siege and occupation of sufi shrines and other cultural or historical places, and many other categorised as violation of human rights. The organization has not been fair and equitably just; its credentials raise many questions.

On the second day of its current session, the State Legislative Assembly saw PDP and its affiliates virtually making the assembly a hostage to a debate on the issue

of unmarked graves as it moved the motion of scrapping the question hour and using it for debate on mass grave issue. The Speaker disallowed the motion and the party members staged a walk out. It clearly reflected that the opposition party was interested in gaining political mileage out of the issue rather than treat it on its merit as alleged violation of human rights. Obviously the purpose of this dramatic interlude was to score a point over its rival, the party in power and relay the message that the party really cared for the affected families.

But their antics were squarely blunted by a forceful response from the Chief Minister, perhaps one of his finest speeches in the law making body. He disarmed his opponents first by telling them that there was no practice of marking the graves in Kashmir, and then by revealing sensitive facts about armed insurgency in Kashmir, facts which the opposition knows but would like to brush them under the carpet. He asserted with full confidence and on the basis of authentic record that there was not a single mass grave in Kashmir except one or two graves in which two dead persons were reported to be buried and even their identity was not known. “The other day only,

[Continued on page no. 23....]



From India against corruption to India for Lokpal



The Indian establishment, sensing the deep anger of the people, contrived to shepherd the entire debate from the dizzy heights of corruption in high places to the easily managed discussion on Lokpal Bill, explains MR Venkatesh

To a layman this judgment of the Hon'ble Supreme Court is a must read. Students of law believe that this is virtually a crash course in corruption laws. Decided by the Supreme Court, the judgment is virtually a treatise on Law of Evidence, Criminal Procedure Code, Prevention of Corruption Act and Indian Penal Code.

The Hon'ble Supreme Court in the extant corruption case - "The State Represented by CBI versus G Prem Raj" - was asked to adjudicate in an appeal preferred by the CBI where the accused was initially acquitted by the High Court.

After hearing the (brilliant no doubt) arguments put forth by lawyers from both sides the Supreme Court setting aside the acquittal of the accused by the High Court, concluded that the accused did indulge in acts of corruption and evidence produced before it was sufficient to hold him guilty.

Now comes the kicker. If you thought that the amount involved in this case of corruption was in billions or millions you are sure to be disappointed. Crores or Lacs? Not at all! The amount of bribe involved in this case, believe it or not, is a measly sum of Rs 5,000.

And if you thought that I am talking of the fifties or the sixties

where a sum of rupees five thousands would be considered princely hold you breadth. The said case is of recent origin. The actual act of graft occurred in May 1998 and was ultimately decided in 2009 – yes 2009 – by the Hon'ble Supreme Court!

Interestingly, there are several cases where our higher courts are seized of corruption cases involving such small amounts. Some are petty bribes involving a mere thousand Rupees and in some cases it involves far lesser amounts. And if the Lokpal Bill were to become law, then all such cases will be referred first to the Lokpal, then to

the High Courts and subsequently to the Supreme Court!

Naturally, given our legal system one wonders whether the Lokpal will be clogged by petty cases as are the courts across the country now. Will the Lokpal be yet another tier in our legal system? In the alternative, will the Lokpal be able to zero in and nail the corruption sharks?

Crucially, by talking of Lokpal are we diluting our fight against corruption? That is central to the debate on hand.

Importantly, this Judgment of the Supreme Court also commented about the approach of the



High Court on this matter.

It is in this connection it added “Last, but not the least, we are extremely surprised to read the last portion of the judgment of the High Court, wherein, the High Court has honorably acquitted the accused and directed his reinstatement as senior-most Civil Engineer, Civil Department, MIDHANI with all usual retired monetary benefits inclusive of restoration of seniority etc. with immediate retrospective effect.”

The Supreme Court concluded “We are shocked to see the step taken by the High Court in straightaway writing off the findings in departmental enquiry without any justification. This aberration on the part of the High Court speaks of its wholly incorrect approach.”

The Supreme Court concluded “We are shocked to see the step taken by the High Court in straightaway writing off the findings in departmental enquiry without any justification. This aberration on the part of the High Court speaks of its wholly incorrect approach.”

Lokpal – A Parking Lot?

This is what is worrying several well-meaning analysts, especially given the fact that Lokpal is expected to monitor all and sundry including lower bureaucracy. The law as envisaged now will necessarily encourage filing of millions of corruption petitions, most of them petty, trivial and ridiculous.

Critically, they will sap the energy of the Lokpal. In the process it is feared Lokpal will lose its focus and direction.

Further, burdened by such trivia, it will commit legal hara-kiri as the High Court did in the above-mentioned case. A few similar knocks on the knuckles by the higher judiciary will rob it of its much acclaimed halo.

What is even more worrying is that the office of the Chief Vigilance Commissioner (CVC) set up under the statute with so much fan-



fare a decade or so ago has degenerated into yet another ordinary government office today.

If laws were the sole instruments to deal with any issue, the country should have seen the last of prostitution and spitting in public places; we should also have seen the end of manual scavenging, child marriage, malnutrition, poverty and illiteracy a long time ago.

It is unfortunate for that we have deceived ourselves with spurious arguments.

If the manner in which we as a nation have reacted to scams is any guide, one can vouch for a fact that corruption agitates our people only when they are able to identify the face behind the scam. When that happens, the usual nonchalance invariably gives way to instant public anger.

That is why one was impressed with the India against Corruption (IAC) movement. It was refreshing. It initially did not talk of any surreal ideas or pontificate on idealism. Its stated objective was to expose all individuals involved in specific instances of corruption in recent times; Period.

The IAC movement precisely understood the psyche of our people. Earlier this year, in a widely circulated power point presentation (titled - India a republic of

scams) over the internet, the IAC compiled details of all scams in independent India. It had facts, figures and faces that were linked to corruption in high places.

The campaign carried out by the IAC was intensive as well as extensive. This led to a tectonic shift in the mood of

the nation. It galvanized our courts to act under the pressure of public opinion and sentiments. This in turn led to the arrest of prominent personalities in 2G and in CWG scams.

Till this point in time, the IAC got its strategy right – it named and attempted to publicly shame and possibly frame all those involved in corruption. In effect, it spoke of corruption with a face and not of faceless corruption.

Somewhere inexplicably this movement against corruption was transformed into a movement for Lokpal. In the process, little did we realize that after so much ado we were in effect fighting for yet another government office! Surely IAC was not about creating yet another parking lot for our retired judges and senior bureaucrats!

From Movement against Corruption to Movement for Lokpal

This is not to say that Lokpal is irrelevant. In our fight against corruption Lokpal is a small and definitive step. But given our track record for rendering institution after institution impotent, the fear that Lokpal too would suffer the same fate, is not entirely misplaced.

And that is not limited to institutions alone. Post independence India has been witness to four very powerful peoples’ movement – the

anti-emergency, the anti-corruption movement associated with Bofors, the Ram Mandir and Mandal movements.

In hindsight, one can safely say that all these movements began with extraordinary clarity, people's participation and high ideals amongst its leaders. These movements even led to change of governments, albeit for a limited period of time.

What was perceived initially as the high point in these movements, turned out to be their Achilles Heel as the leaders failed to change the system as originally promised.

Not surprisingly, within a short period of time the leaders of these movements were defeated, disillusioned and discredited, at times by their own followers! Why? This happened because the leaders of these movements made the fa-

tal mistake of contesting elections and becoming a part of the Indian establishment.

That brief tryst with the Indian establishment neutralized them forever. Mercifully, the members of IaC seem to have read contemporary Indian history pretty well. They have so far refrained from moving in the direction of contesting elections. It was therefore impossible to deal with them along customary lines as the establishment did on previous occasions.

However, Team Anna underestimated the Indian establishment. By presenting a weak Lokpal bill the establishment was at its strategically brilliant best. It was a red rag to most of us; a trap and we all fell into it.

That is how the Indian establishment, sensing the deep anger of the people, contrived to shepherd

the entire debate from the dizzy heights of corruption in high places to the easily managed discussion on Lokpal Bill.

As we agitated for a "strong" Lokpal, the government stonewalled. And after a fortnight of fast, notwithstanding what Team Anna may believe it has achieved, the fact remains that the establishment knows that it has given nothing.

The net result: People's movement "against" corruption has been silently but effectively diffused and a potent agitation transformed into a compromise "for" Lokpal. □□

PS: The idea of fast appeals even today to all Indians. The potency of this instrument connected Gandhiji to Anna and Anna to us. But Gandhiji would have recoiled at the idea of a fast for an inconsequential Lokpal. His fast would have been directed against the corrupt. Possibly that explains the skepticism that surrounds Lokpal to this day. Time for Team Anna to introspect!

[Continued from page no. 20]

Mass grave bogey debunked

one of our newspapers reported that there were 2500 mass graves in Poonch district alone. Had this large number of people died and disappeared, their families would not have remained silent for 22 years," the CM asserted. According to the best verified official statistics, 2,136 militants have died in gun battles with troops in Poonch in 22 years and they have all been buried separately with full religious rituals. Out of this number 2,090 were foreigners. Nobody knows anything about their identities, families and places of residence, and above all they always take a pseudonym not revealing their real names. Thousands of unidentified militants from as many as 12 identified foreign countries—Pakistan,

Afghanistan, Chechnya, Russia, Sudan, Britain etc—had got killed in encounters with security forces in the last 22 years in J&K but successive governments had no available means to ascertain their identities. "Many of the missing militants are known to have raised families across the border.

Many are known to be working as labours, vendors, salesmen and shopkeepers", Omar asserted and asked how each and every missing person could be dumped in the government's account. According to him, politicians, human rights activists and media were mixing up all disappearances and killings to corner the government. "Even in the statistics from different quarters, there were too many variations. For

example, according to official figures, 17000 civilians have been killed by militants and forces in J&K. Statistics from separatist leaders and Association of Parents of Disappeared Persons (APDP) are completely different over those killed openly or subjected to enforced disappearance", Omar added.

This statement of the Chief Minister should be an eye opener to one and all. The facts he has enumerated must be a disappointment to all those who thought they were poised to corner his government, Now that he has reacted and retaliated, the opposition must do some introspection. It has to realise that its maligning campaign has boomeranged. And the last laugh rests with the CM who has proposed constitution of truth and reconciliation commission to probe into these happenings. □□

Palaniappan Chidambaram, the Friend, father & philosopher of black money



*Chidambaram's special financial skills have diversified into electoral politics also. He has the distinction of having been declared defeated in the last Lok Sabha election, after which he galvanized his special skills and local machinery, in particular, a data entry operator, & doctored a marginal victory on the recount, recounts **Ram Jethmalani***

Palaniappan Chidambaram, whom I shall for the sake of brevity call just Chidambaram, is best seen through black and white. And please don't get me wrong and accuse me of racism. I refer not to epidermis or mane, but to the economic colour of money. Some of his greatest contributions to the economy of India are his brilliant pioneering initiatives for changing the colour of money from black to white. And this passion has never left him.

Many of us have forgotten the Voluntary Disclosure of Income Scheme (VDIS) 1997, which he announced when he was Fi-

nance Minister with the United Front government, granting income-tax defaulters indefinite immunity from prosecution under the Foreign Exchange Regulation Act, 1973, Income Tax Act, 1961, Wealth Tax Act, 1957, and Companies Act, 1956, in exchange of self-valuation and disclosure of income and assets.

The scheme was brilliantly conceived. While all schemes in the past valued declared assets at current prices, VDIS 1997 brought in an arbitrary date of 1 April 1987. Gold and silver hoarders and large property holders got an exceptional bonanza on this valuation system.

Further, proof of purchase was not insisted upon, which gave complete freedom to the confessors to fudge any date they wanted to their own financial advantage and further plunder of the country.

So, even if gold was bought after 1987, it could be shown as having been bought before 1987, and it was a win-win game for all stakeholders to rake in the cuts. The Comptroller and Auditor General of India condemned the scheme in his report as abusive and a fraud on the genuine taxpayers of the country. But the issue was forgotten, and the illustrious career of Palaniappan Chidambaram rose to greater heights in the UPA regime.

Those were his innocent days. What a long way he has come since the era when he was cooking up VDISs, so utterly transparent, that the loopholes and avenues to give relief to the looters stared you in the face. The world economy was also then a little simpler than it is today, and his best achievement was getting caught about his investments in Fairgrowth, which was involved in the Securities Scam of 1992.

Chidambaram had to resign for this utterly transparent investment in a company whose scam would have paid rich dividends. Unfortunately, he was not Finance



Minister at the time and did not have the machinery to hush things up, and could only remotely control the markets, unlike his present capabilities as former Finance Minister and thereafter.

Being Finance Minister in the UPA government was his finest hour. He could fiddle around with share markets, capital markets, banks, financial instruments, such as, securities, participatory notes, tax treaties, not to speak of spectrum sale, and use his extraordinary innovative powers of black money magic to plunder our country with complete impunity.

He assiduously cultivated the media with his clipped English accent (that led him down, now and then), occasional freebies, and sustained shadows of the Enforcement Directorate that he commanded.

Chidambaram cannot get black money out of his blood. Dr Subramanian Swamy has clearly stated in his website, “I now have further information from my usually reliable sources in the Union Government that the tapping of Finance Minister Mr. Pranab Mukherjee and his close associate in the Ministry, enabled Mr. Robert Vadra the son-in-law of Ms. Sonia Gandhi and Mr. Karthik, son of Mr. P. Chidambaram, to use the data thereby collected to manipulate and rig the Mumbai stock market. Earlier these data were directly provided by the then Finance Minister Mr. Chidambaram. I demand that the SEBI be asked by PM to initiate ‘Insider Trading’ investigation and prosecution of Mr. Vadra & Mr. Karthik.”

If what is put out by Dr Subramanian Swamy is false why doesn't Chidambaram sue him?

The dark clouds of the 2G

Chidambaram in fresh trouble

Janata Party president Subramanian Swamy has urged the Supreme Court to order a CBI probe against Union Home Minister P Chidambaram for his role in the sale of valuable spectrum at throwaway prices, pointing out at a secret note on 2G pricing prepared by the Union Finance Ministry and sent to the PMO with Finance Minister Pranab Mukherjee's approval.

The note — written on March 25, 2011, by PGS Rao, a deputy director in the finance ministry, and “seen by” Mukherjee — suggested that the Department of Telecom (DoT) would have been forced to cancel the 2G licences had the ministry stuck to its original demand for auctioning the start-up spectrum of 4.4 MHz.

The finance ministry had initially recommended that all spectrum, including start-up spectrum, be auctioned. Later, Chidambaram took the view that all proceedings prior to January 15, 2008, should be treated as a closed chapter.

“DoT could have invoked this clause (5.1 of the UAS license) for cancelling licences in case MoF had stuck to the stand of auctioning the 4.4 MHz spectrum,” the note pointed out.

“It may be mentioned that while the UAS licenses were signed between February 27 and March 7, 2008, spectrum allocations were done starting only in April, 2008, almost four months after the LoIs were issued. However, these were not charged (beyond the normal spectrum usage charges) since there was consensus, at the levels of the ministers concerned, that spectrum beyond the ‘start up’ levels only should be charged,” it said. □

scam and the repeated evidence being given by A. Raja and other accused of his tacit involvement and other acts of omission and commission are menacingly closing in on Chidambaram. He is losing his cool, and more importantly, losing his carefully clipped English accent to its more indigenous roots more often.

And like his colleague Digvijay Singh, his mind seems to be disintegrating to a stage where he has started talking gibberish. Take this, for example: in reply to the BJP demand for his resignation for his involvement in the 2G scam, Chidambaram claims that the BJP is targeting him

since he initiated a probe by the NIA into Hindu terror. Can any rational person see the connection between the two?

Take also his comments regarding the recent Mumbai blasts. As Home Minister, instead of taking stock of the situation, and providing leadership, the only intelligent thing he could think of saying



was, "No intelligence is not intelligence failure." Even a college debating society expects better logic. It's something like saying "illness is not a failure of health" or "impotence is not a failure of potency".

Chidambaram's special financial skills have diversified into electoral politics also. He has the distinction of having been declared defeated in the last Lok Sabha election, after which he galvanized his special skills and local machinery, in particular, a data entry operator, and doctored a marginal victory on the recount. That is quite a record for fraud. And can one forget how the Indian Bank was cleaned up and left with only non-performing assets thanks to him and his Tamil Maanila buddies?

Chidambaram's record as Home Minister has been disastrous. Neither has he made any impact on internal security, with the worst

Chidambaram loses cool over 2G queries

Union Home Minister P. Chidambaram reacted angrily when journalists asked him about Finance Minister Pranab Mukherjee's letter to the prime minister over the 2G spectrum allocation scam. Chidambaram also had journalists forcefully expelled from the hospital in Gangtok where he had gone to see those injured in Sunday's earthquake.

In his 14-page note to the prime minister, Mukherjee had hinted that Chidambaram, who was the finance minister during the allotment of 2G licenses, could have prevented the huge scam. The finance ministry note, sent in March 2011, seemed to indicate that had Chidambaram insisted, spectrum could have been auctioned. On January 10, 2008 former telecom minister A. Raja had doled out licenses on a first-come-first-serve basis despite Chidambaram being in the loop. □

massacres of his own paramilitary forces taking place in his time, nor on terrorism, which carries on in complete complacency because there are neither effective preventive or punitive systems in place, nor political will and national legislation to combat terrorism. It is on record and in the public domain that the Home Ministry gave incorrect names of India's most wanted list of terrorists allegedly

hiding in Pakistan, some of whom were tracked living in India or in custody. Is this a testament to his fabled efficiency and commitment?

What a laughing stock we must be before the world. It is almost as if India is determined that it shall not combat terrorism, shall not have enabling legislation as enacted by the US, such as the Homeland Security Act 2002, and the Prevention of Terrorism Act 2005 of UK and similar legislations in European governments. India is determined not to have an effective national agency on the lines of the Homeland Security Department of the US.

The ramshackle National Investigation Agency showed itself as a complete failure during the recent Mumbai attacks. Understandable, because its only mandate appears to be to investigate "Hindu terror", the last refuge for failed and hopeless Congressmen like Chidambaram. The CCTNS, JIC, ARC, NTRO (presently in another scam), and NCTC remain effete, scattered and unmonitorable, even by the Home Ministry. With such an unequivocal determination by the UPA government not to address terrorism effectively, I can only grieve for my country. □□

(courtesy The Sunday Guardian, August 3, 2011)

Joshi attacks Chidambaram over 2G scam, demands his resignation

Referring to Finance Minister Pranab Mukherjee's letter to the Prime Minister in the 2-G spectrum case, BJP alleged that Home Minister P Chidambaram was involved in the scam and demanded that he should resign or else be sacked immediately.

"The Finance Ministry officials were telling the then Finance Minister P Chidambaram to go for auctions. Why was it not done? There are clear contradictions here. I strongly demand that either Chidambaram should resign or he should be dismissed forthwith," senior BJP leader Murli Manohar Joshi told reporters.

Citing several "anomalies" in the process of 2-G spectrum allocation, Joshi sought to know why Prime Minister Manmohan Singh did not take timely action to prevent the scam.

"It is most disgraceful that a Finance Minister (Chidambaram) has pushed the country into a scam. The Prime Minister should also answer why he was so easily misled. Everything was in his knowledge," Joshi said.

BJP further demanded that the "exact quantum of loss" to the country due to this scam should be determined by the present Finance Minister Pranab Mukherjee and made public.

The matter is now in public domain and there is no point in hiding behind courts, the BJP leader said expressing disappointment over Mukherjee's statement from New York. □

Time to unmask & name the tax-evaders: R. Vaidyanathan



“The Government of India got thousands of accounts of Indians holding illegal wealth in HSBC bank in Switzerland. The data was obtained by French from people who have stolen the data – more than 15000 accounts – from HSBC data files. The French have given the full data set to us.” – Prof. R. Vaidyanathan

In the midst of the Anna movement, one important thing has been pushed to the background.

It is the Gangotri of corruption but less focused and talked about. Barack Obama is concerned about it, Merkel is furious about it and Sarkozy wants to regulate it but the leaders of one of the most affected country namely India is not saying or doing anything about them. They are the tax havens or off-shore financial centers where the ill-gotten wealth of tax evaders of many countries is hoarded.

Lichtenstein affair

Liechtenstein is a country as well as a convenient “letter box” for moneyed people all over the world to hide their ill-gotten wealth.

It is a small principality where if you jog a little longer you may end up in the next country.

The crown prince with a difficult-to-pronounce name like Johannes Adam Ferdinand Alois Josef Maria Marko d’Aviano Pius von und zu Liechtenstein – notice that the prince’s surname is that of the country — is angry with Germany for launching a massive tax evasion investigation involving funds hidden away in his countries vaults.

Germany’s intelligence agency seems to have paid an unnamed informer more than \$ 6 million for confidential and secret data about clients of LGT Group, a bank

owned by the Prince’s family.

The revelations have already led to the resignation of the head of Deutsche Post — the former German mail service — which is currently the worlds largest logistics company in the world.

The Lichtenstein leaders are furious and have focused all their ire at the theft of the data rather than on the facts of the case.

The German Government has announced that it would share information on accounts held in the tax haven with any Government that wanted it.

The spokesman for the German Finance Ministry, Thorstein Albig, has indicated that they would respond to such requests without charging any fees for the information.

Finland, Sweden, and Norway have expressed interest in the data obtained by the Berlin intelligent agency.

Now the interesting and intriguing part. Indian government was very reluctant to get that data from Germany.

It finally got the data under the pressure of the then leader of the Opposition in 2009. More than hundred names are presumably in that list. But the results are not shared with Indian citizens.

It is common knowledge that trillions of dollars of Indian money is in various tax heavens like Antigua, Switzerland, Bahamas, Liechtenstein, Isle of Man, and St. Kitts, etc.

Throughout the Nehruvian socialistic period under invoicing



of exports and over invoicing of imports was very common and the funds were siphoned off to these tax heavens. In a socialistic way all leaders, be they business, political, film, sports or bureaucratic participated in creating what we may call “secular ill-gotten wealth” that is cutting across any type of caste or creed distinctions.

The Government is not releasing the names obtained from Germany and claims it is due to the double taxation treaty with Germany. The stolen data by Germany from its neighbor is no where linked to our treaty with Germany since it is not pertaining to any misdemeanor by Indians vis-a-vis Germany. But the Government is intransigent.

HSBC Illegal Money

Few months earlier, the Government of India got nearly a thousand accounts of Indians holding illegal wealth in HSBC bank in Switzerland. This data was obtained by French from people who have stolen the data — more than 15000 accounts – from HSBC data files. The French have given the full data set to us. The Government of India is not telling the citizens what action it is undertaking.

It does not want to share the names.

For everything, the Finance Minister is chanting the same mantra of double taxation treaties, when those treaties do have only prospective effect. What is needed is the political will to bring back the illegal funds accumulated abroad.

From Bofors to CWG to 2G to Hasan Ali — all illegal money takes us to tax havens. It is estimated that between half a trillion and



one half trillion is the illicit money stashed abroad by our political leaders/ business barons/ bureaucrats/ film stars and sports icons.

Why we should act

The issue is of paramount importance due to four reasons. Even two paise experts on Indian stock markets know that increasingly our markets are moved by global flows — both inflows and outflows of funds. Such flows may be ill-gotten wealth of Indians kept abroad in tax havens or domestic funds are sent out and brought back to facilitate some activities.

In the context of concern expressed by our own National Security Advisor regarding possibility of terror funds coming through financial markets the second concern is are we adequately sterilised in terms of know your customers etc.? Third is about our ability to formulate policies without being black mailed by foreign Governments.

For instance, many might not know that the owner of more than 90 percent of worlds currency printing business from Switzerland namely Mr. De La Rue Giori, — along with his girl friend — was one of the passengers of the hi-

jackd plane to Kandahar.

It is easy to imagine the type of pressure applied by the Swiss on our Government at that time.

If large number of our elites is having illegal money in Switzerland then we are prone to manipulations in terms of policy formulations.

Even now it is not clear if our Foreign Minister handed over dollars or Swiss currency to the hijackers. Any how the true history may come out some time in future.

It is pertinent to note that if CIA knows about our leaders, then ISI may also have that data. The fourth issue is the most important one. Is there a political will among India's ruling class to put the issue of tax havens on global agenda and compel other developed countries to facilitate closing down of these anachronisms in the twenty-first century? These tiny island absurdities had their time, their crooked purpose and place in history.

Twentieth century was that of privacy and secrecy. But in the 21st century integrity is the motto and transparency the mantra. India should pass a law making all the illegal wealth abroad as part of a trust to be created. We should along with other emerging markets arm twist these tiny islands to give back our money. India should bring sanity to global financial markets and joy to millions of pauperized persons in Latin America, Asia and Africa. Let us be pro-active and get back our money and clean up the global financial system. □□

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Hydra headed dragon existential threat to Indian Nation

Till now the concerns of Indian government were confined to the burgeoning trade deficit with China. Shift in that perception is visible and the remedial steps will follow, hopes G. Raina

The left leaning political liberals who have dominated the policy planning and opinion making in this country may refuse once again to learn any lessons and may continue to plead for unilateral concessions to known India adversaries like Pakistan and China. That however does not deter these countries to tighten noose on us. Recognizing Taiwan as a part of China and then accepting Tibet as part of China, without seeking any reciprocity over its own territorial integrity has not stopped China from what Defense Minister AK Antony described as “aggressively shoring up its military capabilities along the borders with India”. China as a long term risk to India is no secret. People of this country have not forgotten the humiliating memories of 1962, nor for that matter has any one overlooked the regular jolts that China continues to give us on various fronts. Warnings over the oil and gas exploration project between Indian and Vietnamese state-owned firms, Military incursions in Leh Ladakh and other places across LAC; construction of Dams with potential to adversely affect Brahmaputra, the life line of North East, active support to Naxals and Maoists in the red corridor, anti-India activities In Myanmar, stapled Visa to Indian citizens of Jammu and Kashmir and illegal,

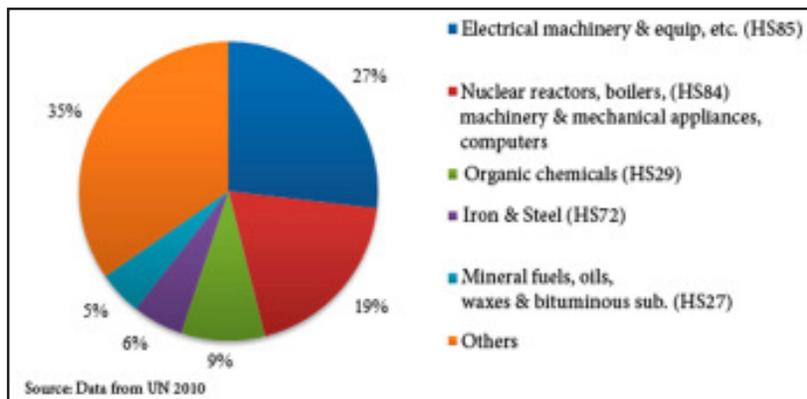
unethical and immoral support to Pakistan including overindulgence in Pak-occupied Kashmir are just a few examples to recall how China is missing no opportunity to needle India.

These instances and similar other activities of China has convinced people of India that it treats India as an enemy country and loves to keep the pot boiling as it perceives us as its potential rival and impediment to its hegemonic and expansionist world view. Indian establishment and opinion makers might continue to play down these problems in the expectation that deepening engagement would eventually influence attitudes at the top in China and

gradually result in a softening of the Chinese unreasonable position. But what may come to them as a shock is that even the claimed ‘flourishing trade and economic relations’ are being used by China to serve its longterm objectives to detriment of Indian interest.

While the people of India have a fair knowledge and information about the security threats from China, what they have not fully realized is that this hydra headed Dragon is a serious economic threat to the fast developing economy of India as well. Information, though in public domain for quite some time is not attended with the seriousness it deserves. There are some indi-





India's Top 5 export categories to China in 2008

cations that security establishment has woken to this threats and it seems that they have understood the need to take immediate remedial steps to stop China from completely throttling Indian economy in coming years.

A cursory look at Indo-China Trade reveals that even though the bilateral trade between the two countries' \$60-billion target in 2010, it is primarily driven by rising Indian imports that has left a record trade imbalance of \$20 billion in China's favour. The trade deficit is projected to reach US\$60bn by 2014-15, the year for which a new trade target of \$ 100 billion was set during **Wen Jiabao's Visit to India last year**. In 2008, China became India's largest trade partner. The structure of bilateral trade between the two countries explains the reason why India should be cautious about dependency on China. This probably is the reason for National Security Council to raise the alarm.

About three quarters of Indian exports to China are raw materials. From all exports 58% belong to the category ore, slag and ashes. Cotton is the second most important export good. One can assume the reason why Chi-

na imports those vast amounts of raw materials from India lies in the overall demand of the Chinese industry, especially to build transport infrastructure and buildings for the real estate market. China imported about 43% of the world's export volume in the category ore, slag and ashes in 2008. Cotton on the other hand goes mainly to the Chinese textile industry, which is interesting because one would expect China and India to be competitors in this market.

India's imports from China on the other hand show the opposite structure. Main import goods belong into the categories HS85 electrical machinery & equipment & parts, telecommunications equip., sound recorders, television recorders) with 27% and (HS84 nuclear reactors, boilers, machinery & mechanical appliances, computers) with 19%. We can record

The trade deficit is projected to reach US\$60bn by 2014-15, the year for which a new trade target of \$ 100 billion was set

at this point, that almost half of India's imports belong to categories consisting of high value added goods.

The most important result at this point is that India is exporting raw materials to China, whereas it is importing mostly high value-added goods. This is not the trade structure one would expect between two developing countries.

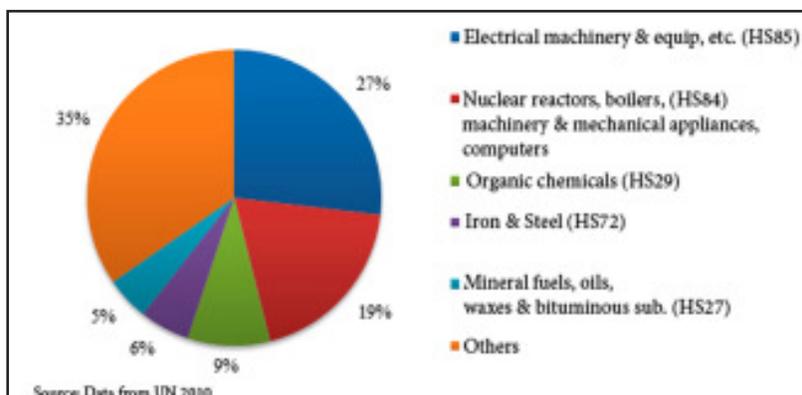
National Security Council is believed to have taken note of this trade imbalance and its inherent risks to India including its security. Chinese involvement in key sectors like Telecom and power generation is, in particular causing a serious concern in the Indian establishment given the record of Chinese anti-India intentions.

The council has projected that dependence of India's manufacturing will increase from Current 26 per cent to over 75 percent on imports from China by 2014-15. China is posing threat rather causing immense harm to domestic industry by flooding Indian markets with cheap and poor quality products. NSC has highlighted in its covert assessment some key drivers of Chinese success. Though these are well known what is exciting is the acceptance and hence construed willingness to change the status quo by at least a section of Indian establishment..China has been exploiting its governance model to ensure that it retains the cost advantage and manufacturing competitiveness at global level to outmaneuver its rivals. China, notes NSC, has systematically changed its trade policy and combined it with direct and indirect subsidies & creation of world class infrastructure to become the centre of global value chain.

It is noted that China for example has been able to create 26% advantage across the steel value Chain, thus enabling it to price its products 40% less than India. Little wonder then that the cycle industry of Ludhiana has been hit hard. Most of the parts of Cycles are now being imported from China. It is estimated that imports from China in this sector alone has reached 12000 crore annually.

As far as Telecom sector is concerned it is by now common knowledge that the fastest growing sector of Indian economy is almost fully dependent on imports for the equipments used in the sector including the hand sets. Rising telecom equipment import Bill is projected to surpass petroleum bill of the country in next few years. Nearly 62% of these imports come from China. With the suspect background of owners of the Chinese telecom major and its possible links with the PLA issue gets further complicated. Too much dependence on Chinese equipments hence poses serious security threat.

Lower costs, better project implementation and capability to supply higher unit sizes has resulted in steep rise in imports of boilers and turbine generators in power sector from China. Security establishment points out to the harm caused to the domestic manufacturers due to large order displaced on Chinese suppliers besides possible adverse effect on the power supply in future due to substandard quality and performance of these equipments. It is believed that if measures for providing level playing field to domestic manufacturers in power sector equipment is not taken



India's Top 5 import categories of Chinese goods in 2008

immediately development of domestic manufacturing capacities would be seriously impeded and new investors in this sector may withdraw further investments. It is important to note that 14% customs duty on such imports from China to neutralize the cost advantage as was proposed by Maira Committee of Planning Commission and implementation of which was deferred on the insistence of Power ministry is being revisited by the government.

Till now the concerns of Indian government were confined to reducing the burgeoning trade deficit. Prime Minister Manmohan Singh for example in an interview to China's state-run Xinhua news agency earlier this year pitched for greater Indian exports to China to reduce the trade deficit between the two countries and expressed confidence that the bilateral trade would surpass \$100 billion by 2015. "I am confident that we will surpass our bilateral trade target of \$100 billion dollars by 2015, but we have to make more efforts to promote greater Indian exports to China to reduce the trade deficit," Singh said.

He said during Chinese Premier Wen Jiabao's visit to India in December last year, the two

The trade deficit for India for year 2010 stood at more than \$20 billion. In 2009, it was \$15.87 billion while in 2008 the trade deficit was \$11.18 billion.

countries had agreed to a series of measures to broad base and balance our trade and economic cooperation. In 2010, bilateral trade between the two countries was in excess of \$ 60 billion with the balance of trade tilting heavily in favour of China. The trade deficit for India for year 2010 stood at more than \$ 20 billion. In 2009, it was \$ 15.87 billion while in 2008 the trade deficit was \$ 11.18 billion.

But from the concerns shown by the security establishment it is hoped that the government in its entirety will take note of the serious developments and future challenges. It is expected that once the seriousness of the matter is realized the remedial measures in the form of concrete steps will follow as a natural corollary. □□

India to topple Japan as world's 3rd-largest economy

India might become the world's third largest economy in 2011 by overtaking Japan in terms of gross domestic product (GDP) measured according to the domestic purchasing power of the rupee, otherwise called purchasing power parity.

India is now the fourth-largest economy behind the US, China and Japan. Numbers from 2010 show that the Japanese economy was worth \$4.31 trillion, with India snapping at its heels at \$4.06 trillion. But after March's devastating tsunami and earthquakes, Japan's economy is widely expected to contract while India's economy will grow between 7% and 8% this fiscal. "India

should overtake Japan in 2011 to become the third-largest economy in the world at purchasing power parity," said Sunil Sinha, head of research and senior economist at Crisil.

IMF forecasts show India and Japan neck-to-neck in 2011, but the disaster in Japan has brought the event forward. "Were it not for the earthquake and tsunami, India would have overtaken Japan in around 2013-14," said Sinha.

The purchasing power parity (PPP) method measures the size of an economy by levelling price differences between countries that occur in the process of conversion to a single currency. □

Victim of police action on Ramdev stir dies

Rajbala, a victim of police brutality, died in hospital on September 26 more than 100 days after she had suffered spinal injuries during the police crackdown on Baba Ramdev's protest camp at Ramlila Ground in June this year. The 51-year-old supporter of the yoga guru had been on ventilator support at the ICU of GB Pant Hospital. Grieving family members blamed the Delhi Police for her death. "She died due to police lathicharge. Everybody knows why police took such action. We cannot get our mother back. At least the culprits should be punished," said her son Anil Kumar Malik.

Family members refused to claim her body after the postmortem, demanding that they be given a complete medical report of the three and a half months Rajbala had spent in the hospital. They alleged that GB Pant Hospital not been transparent about the patient's treatment and had not given them a single written medical report. The family had filed an RTI about a fortnight ago seeking a report on her condition. The body was finally taken to the family's residence in Gurgaon in the evening, after the hospital gave an assurance that a full medical report would be provided.

Halt Koodankulam nuke project

Tamil Nadu Chief Minister Jayalithaa has asked Prime Minister Manmohan Singh that work on the Koodankulam Nuclear Power Project be halted till the fears of the people in the area are allayed, accusing the Centre of "abdicated" its responsibilities. Amid mounting protests against the project, Jayalithaa's missive came days after she sought to allay the fears of local population that the Indo-Russian joint venture in Tirunelveli district has adequate safety pa-

rameters and appealed to agitators to end their fast.

She said the plant was safeguarded even from a tsunami and was located in a zone not prone to earthquakes. With barely three months left for the commissioning of the first of the two 1x1000 MWe reactors set up at the coastal village of Koodankulam District, Jayalithaa said the scope and magnitude of the issue was creating a fear psychosis among people and villages surrounding the project area. Hitting out at Union Minister of State for Environment and Forests Jayanthi Natarajan, she said it was naturally expected that the Union Minister, hailing from the state, would have made an attempt to visit these people.

First Dalit trade fair

The first three-day trade fair to be organized by dalit entrepreneurs and businessmen in December is being projected as a new narrative on changing India. The event, beginning Dec. 16, will be held at Bandra Kurla Complex in Mumbai. DICCI, whose mission statement calls for "fighting caste with capital". This first Dalit Trade Fair will showcase about half-a-dozen dalits who started as small entrepreneurs but now are running companies with multinational operations.

It will also be attended by Ratan Tata. "We had sent an invitation to Ratan Tata and he has confirmed that he will attend our conclave and exhibition," said Milind Kamble, chairman of Dalit India Chamber of Commerce and Industry told media.

"The presence of Ratan Tata has great symbolic value as it will signify the change happening in India, and it will give great hope to dalits that the country's top business houses are now ready to make them partners in trade. It will also encourage other industrialists to engage with companies owned by dalits," said Kamble, the Pune-based businessman who was

Army to hold joint exercises with 16 friendly forces

From just a couple of joint exercises annually a decade ago, Indian Army is really cranking up its engagement with foreign armies now. The 1.13-million force will undertake as many as 16 combat exercises with friendly forces in 2011-2012. The flurry of exercises constitute an effective diplomatic tool to enhance overall strategic ties and military-to-military cooperation with countries in India's "immediate" and "strategic neighbourhood" as well as "priority nations" far away. From US, UK, France, Russia, Mongolia, Kazakhstan,

Uzbekistan and Kyrgyzstan to Bangladesh, Myanmar, Nepal, Maldives, Seychelles, Singapore, Indonesia and Thailand, the response has been "simply overwhelming", say Army officers.

The exercises, of course, are meant to build bridges in tune with India's larger geostrategic interests. India, for instance, has been assiduously ramping up economic and military ties with Central Asian Republics. A joint special forces training exercise will soon be held with Kyrgyzstan as part of the policy. □

one of the brains behind the formation of DICCI in 2005. "The event will be a milestone. It will turn out to be a new narrative on changing India."

The event will host more than 200 dalit companies involved in hardcore manufacturing, construction, trading, health, hospitality and the knowledge industry. "Our friends in the US are also trying to get Robert Johnson, the first black billionaire, to visit the fair as the guest of honour," Kamble said.

Plan panel's poverty line unacceptable

More than 25 of the top economists of the country have written an open letter against the Planning Commission poverty line and said that the public distribution system should be universalised. "We do not consider the official national poverty lines set by the Planning Commission, at Rs 32 & Rs 26 per capita per day for urban and rural areas respectively, to be acceptable benchmarks to measure the extent of poverty in India," they have said.

With the National Food Security Bill pending, the academics have written, "Restoring the universal PDS appears to us is the best way forward in combating hunger and poverty. This is not only feasible within the available fiscal space of the Union government but must be a policy priority in the backdrop of high and persistent food price inflation."

67% teachers are not comfortable with CCE'

A nationwide survey of the Comprehensive and Continuous Evaluation (CCE) scheme has thrown up significant findings. Two years after CBSE introduced CCE system, a staggering 67% of the teachers are still grappling with it, while 58% of them have a negative or indifferent approach towards it. The only stakeholders of the scheme who are in favour of it are the students - 64% of the students from the surveyed schools find the new system better.

The survey was done by the National Association of School Principals in July, after declaration of the CBSE Board results in May/June this year. A questionnaire based on CCE was sent to all the schools on a random basis, of which 260 schools affiliated to CBSE responded. CBSE has around 10,000 schools under its fold in India and abroad.

Of the 260 schools surveyed, 151 felt that teachers still have a negative or indifferent attitude towards the system. Meanwhile, 62% of the parents felt that CCE is not a better system, while 56% of the schools felt that there is room for improvement.

FIR against Dayanidhi Maran soon: CBI

The Central Bureau of Investigation submitted in the Supreme Court it would file a first information report (FIR) against the former Union Minister, Dayanidhi Maran, in the next few days in the case relating to the sale of Aircel to the Malaysia-based Maxis Group as there was enough evidence in the preliminary enquiry (PE). Senior counsel K.K. Venugopal, appearing for the CBI, gave this information in the status report submitted to the court in a sealed cover. He read out the relevant portions before a Bench of Justices G.S. Singhvi & A.K. Ganguly hearing the 2G spectrum case.

Mr. Venugopal said the CBI was in the process of converting the PE into an FIR in the next few days. Offences such as undue favour and quid pro quo would be included in the FIR against Mr. Maran & others. Letters rogatory (LRs) were sent to Mauritius.

Meanwhile, an application filed by advocate Prashant Bhushan of the Centre for Public Interest Litigation alleged that Mr. Maran, who resigned as Textiles Minister, had "arm-twisted" Aircel owner C. Sivasankaran to sell his 74% stake to the Maxis group of Malaysia. It explained how the Chennai-based Aircel was applying with the Dept. of Telecommunications for UAS licences from March 2004. □□

Turmoil in Western economies has NRIs heading back home

Faced with declining salaries and job cuts abroad, an increasing number of NRI professionals are moving back to India in search of greener pastures, a move that will give homegrown companies the chance to target this attractive resource pool.

According to a study by MyHiringClub.com, a recruitment tendering platform, hiring of non-resident Indians (NRIs) will account for 19 per cent of total recruitment activity during October-December this year, compared to 11 per cent in the year-ago period, representing a growth of 8 per cent. Hiring of NRIs accounted for 21 per cent of total

recruitment activity during April-June, 2011. However, "It is not only the major crisis in the West, but also a combination of economic, social and other factors that has driven this," he said.

The segments that will witness the maximum NRI recruitment during the period under review include IT and ITES, followed by automobiles, manufacturing and engineering, banking and financial services, infrastructure, telecom, FMCG and retail.

The survey, conducted among 429 corporate and 710 recruitment consultants, said appointment. □

Pressure on India to join Shanghai club

India has come under renewed pressure to join the Shanghai Cooperation Organization (SCO) as it tries to create a free trade zone among member countries. India is an observer at the SCO, but has been reluctant to become a full member. The proposal is already on the agenda of the SCO, and two of its full members - China and Russia - have begun initial discussions on it, sources said. Chinese officials, in particular, are pushing for the proposal because the uncertain economic conditions in Europe and the US pose serious danger to its exports.

India can continue work on Kishenganga: ICA

The proposed Kishanganga Hydroelectric Project would be located on river Kishanganga, a tributary of river Jhelum, in Gurez valley of Jammu & Kashmir.

India can "continue with all works" related to the Kishenganga hydro-electric project in Jammu and Kashmir except any permanent work on the riverbed that may inhibit restoration of the river's full flow, the International Court of Arbitration has said.

In an interim ruling issued, the court in The Hague, which was approached by Pakistan, said it was necessary to lay down certain interim measures in order to "avoid prejudice to the final solution" of the dispute as provided under the Indus Waters Treaty of 1960.

While proceedings continued at the Court, the ruling said, it "is open to India to continue with all works relating to the Kishenganga Hydro-Electric Project" except "any permanent works on or above the Kishenganga-Neelum riverbed at the Gurez site that may inhibit the restoration of the full flow of that river to its natural channel" after the final verdict.

The ruling stated that India "could proceed with the construction of the sub-surface foundations" of the dam, "erect temporary cofferdams and operate the by-pass tunnel it has said to have completed", "temporarily dry out the riverbed of the Kishenganga-Neelum at the Gurez valley" and "excavate the riverbed."

The court said that, under the current timetable, it intended to give its final verdict "late in 2012 or early in 2013."

US wants 'New Silk Road' in Central Asia

The United States has backed a 'New Silk Road' through Central Asia to boost economic connectivity across India, Pakistan and Afghanistan, with the Secretary of State envisaging a trade network in the region where a "Pakistani businessman can set up shop in Bangalore".

Hillary Clinton discussed the need for the New Silk Road with Pakistan's Foreign Minister Hina Rabhani Khar in a meeting on the sidelines of the UN General Assembly.

Clinton's vision of the new silk road encompasses "an economic space between Central Asia and India, Bangladesh."

Such a route will be a modern day manifestation of the historical silk road, through which South and Central Asian nations connected with each other for trade and cultural exchanges.

Indian merchants used to trade spices, gems and textiles from the Great Wall of China to the banks of the Bosphorus through this silk route.

The new Silk Road would not be a single thoroughfare like its namesake, but an international web and network of economic and transit connections, officials said.

US needs to shore up its relationship with India: Huntsman

Given the volatility in South Asia, in particular the uncertainty coming from Pakistan in the war on terrorism, US needs to shore up its relationship with India, a key Republican presidential candidate has said. "Shoring up the relationship with India needs to happen yesterday, and I don't see movements in that regard. The region is a very volatile one," John Huntsman, Republican presidential candidate, said in an interview.

"We have a good partner in India. We share common values. We share a democratic heritage. And we ought to shore up our intelligence-gathering capability and our military-to-military links with India and prepare for what could be a very rocky region," he said in response to a question. America's bilateral relationship with Pakistan, he said, is a carry-over from the cold war. □

The New Silk Road would also focus on removing bureaucratic barriers and other impediments to the free flow of goods and people.

China installs gold vending machine

China, which recently came closer to India in terms of the gold market, has installed its first gold vending machine in Beijing. In an attempt to become the second largest bullion market after India, the Chinese government is encouraging sales of gold.

The machine, which has been installed in Beijing's Wangfujing shopping district, will enable consumers to use cash or bank card for buying gold bars or coins of different weights, based on the prevailing market price. The maximum limit for each withdrawal has been set at 2.5 kg or one million yuan (\$157) worth of gold, the official media said. More such machines are likely to be installed across the country, which saw gold demand soaring 27% last year. Gold vending machines already exist in Britain, the US, the Middle East and Europe.

This facility offers wealthy Chinese an attractive investment option when the government is actively discouraging real estate investment and speculation to cool down property prices. Chinese consumer purchases of gold at 580 tonne in 2010 was still lower compared to India's consumer buying at 963 tonne, according to World Gold Council.

India for greater role to 'SCO plus' nations in Afghanistan

With the assassination of Afghanistan's chief peace negotiator Burhanuddin Rabbani, India is hoping that its Russia-backed desire of the Shanghai Cooperation Organisation (SCO) getting itself involved as a grouping would gain traction.

The SCO Regional Forum, whose members and observers essentially enclose Afghanistan, would be an effective means of addressing some of Afghani-

stan's problems if it treated observers (such as India, Iran and Pakistan) and special invitees (Afghanistan) on an equal footing, said government sources here.

"That is a good regional platform," they said of the grouping that extends a helping hand to Afghanistan, nurtures little ill will towards Iran and Pakistan and has a greater interest in stabilising the country than the West since the flow of drugs and militants from Af-Pak region directly affects their well being.

The proposal was aired by Russia and found a backer in India at a time when the Northern Distribution Network (NDN), routes ending in a funnel in Uzbekistan, is being increasingly relied upon by the West to send supplies to Afghanistan.

U.S. has "serious concerns" over Indian nuclear liability law

There "continue to be serious concerns" that India's 2010 nuclear liability law is not consistent with the Convention on Supplementary Compensation (CSC), and the International Atomic Energy Agency (IAEA) is an "appropriate venue" for India to clarify such nuclear liability questions, according to the United States State Department.

However the statement did not address the question of whether there had been any precedent in which the IAEA had advised any other country on whether its nuclear liability laws were consistent with international standards such as the CSC. The issue gained salience when United States Deputy Secretary William Burns said, "We encourage India to engage with the IAEA to ensure that India's liability regime fully conforms with the international requirements under the [CSC]." During a speech at the Brookings Institution, Mr. Burns had welcomed India's commitment to ratify the CSC later this year; however he had added that if international and Indian firms were to participate in India's civil nuclear sector, "India needs a nuclear liability regime consistent with international standards." □□

WTO rues India's tweaking of trade policy

India has further opened up to imports in the past four years according to WTO. India cut its average import tariffs to 12 percent in 2010/2011 from 15.1 percent four years earlier, part of its effort to provide a stable and active trade policy to encourage economic growth, the WTO said in a report.

India was one of the WTO's most litigious members, the report said, having initiated 209 anti-dumping investigations in the past four years, mostly against Chinese and other Asian shipments of chemicals, plastics, base metals and textiles that it considered to be unfairly cheaply priced.

The report said the average time for completing Indian export procedures had fallen to 17 days from 27 days in 2007, while imports now took 20 days to clear customs on average, less than half the 41 days needed in 2007. Getting through customs now cost an average of \$960 per container for imports and \$945 for exports, it said.

Doha round can't be allowed to collapse: Anand Sharma

The Doha round of WTO must not be allowed to collapse as it will result in protectionism and hurt global economy and trade, Commerce and Industry Minister Anand Sharma has said.

"Many skeptics feel that the WTO is at crossroads and that the lack of progress in the Doha round raises questions on the relevance and efficacy of this institution. We do not share this pessimism," Sharma said at the inaugural of WTO Regional Trade Policy Course 2011, at the Centre for WTO Studies. The minister said there was disappointment among members due to the delays but the negotiations should not be allowed to collapse.

Brazil Government Says WTO Proposal Should Spur Discussion

The WTO Working Group on Trade, Debt and Finance (WGTDF) discussed for the first time the relationship between exchange rates and international trade. The discussion was on a proposal tabled by Brazil for a two-pillared work programme on this subject.

In its submission, Brazil said that what it has

proposed is essentially a debate with a view to better understanding the issues involved and their implications for members of WTO.

According to trade officials, the Working Group, which met on 10 May, gave general support to the thrust of the Brazilian proposal. Brazil's government has asked members of the World Trade Organization to consider rule changes that would allow governments to actions to compensate for the effects on trade of exchange rate fluctuations, the Development, Innovation and Trade ministry said Monday, confirming local press reports.

The proposal advances a plan first presented to the WTO in May and is intended to spur new thinking about dealing with exchange rate movements, said Tatiana Lacerda Prazeres, Secretary of Foreign Trade at the ministry.

In May, the WTO accepted a Brazilian proposal that it begin a two-year study into the very specific relationship between trade and currencies. Although the question of currencies was included in the WTO's mandate when it was established in 1947, it has never been discussed in that forum.

Doha Round unlikely before 2013

WTO's Doha Round of talks that have been deadlocked for the last three years, are unlikely to be completed before 2013, according to Commerce Secretary Rahul Khullar. "It is not possible to conclude the Doha Round by the end of 2011. It is also crystal clear that it is not going to be possible to do it in 2012 because one country is going to go through a very long, drawn out election at that time," Khullar told reporters.

Referring to the upcoming presidential election in the United States, Khullar said domestic politics in the US would not allow any significant breakthrough in the talks for at least two years.

Blaming US for the deadlock, Khullar said, "for the last two years, the United States has not allowed the talks to go on".

The Doha Round of multilateral trade negotiations, launched in Qatari capital in November 2001, has been deadlocked since 2008 due to differences between the developed and developing countries over the issues such as market access, agricultural subsidies and tariffs. □□