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### *Revisiting the Indian Tradition of Public Dissent*

*Anirban Ganguly*



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### Organized mass movement is the only hope

*There are torrents of noise, massive confusion, managerial chaos and political incredibility ruling the roost in the country. As per our constitution, parliament is supreme but it seems to be substantially paralyzed. Treasury benches and the opposition are always at logger heads and jaundiced terminally by the scourge of vote bank politics. Electoral system needs radical overhaul to cope up with the changing times and in keeping with the temperament and attitude of the Indian people. But the ruling class and opposition both are not interested to push up the electoral reforms owing to their vested interests. Electorates are divided vertically and horizontally on caste, linguistic, regional, party lines and because of their petty gains and greed. Media both electronic and print are playing their role in a befitting manner but still the things are required to be taken to the logical conclusion. Media is expected to expose the high profile corrupt elements and follow them till matching punishment is awarded to them.*

*Alarmingly the politics has become all pervading. Saner elements are also not united and organized. People need a fearless, a political and unblemished leadership which is still eluding. Politicians of all hues and colours are scared of Lokpal Bill. They are averse to any change in system which poses a threat to their free existence. The rot has to be stemmed for better days ahead. Organized mass support is the ray of hope.*

– PC Sharma, Jammu

### Chinese challenges

*This has reference to the informative article China in the June issue of Swadeshi Patrika. Chinese activities are not limited to Brahmaputra and its waters only. Several people have expressed his concern over the increasing influences of Chinese in the Gilgit-Balistan area of PoK at different times. The presence of Chinese forces in the regions on the pretext of building infrastructure is a matter of great concern for India. And this matter can't be dismissed away easily without mapping its implications on the security of the country.*

*Feeling concerned over China's growing influence in the area India's leading think-tank. The Institute of Defence Studies and Analyses (IDSA) in a study "PoK: changing the discourse" has revealed: "If the current pace of Chinese penetration is sustained then China may completely take over Gilgit- Baltistan by the year 2020". Though Government of India is fully aware it hardly is alive to the developments taking place in the area and no meaningful steps are being taken to counter the same. We need to accelerate the pace of initiatives taken. It is reported that it will take India several years to build security infrastructure in the border regions to meet the Chinese challenge. China is already quite ahead in its mission, and India needs to redouble the efforts to avoid the threat.*

– Amit Khanna, Jamnagar

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## Quote-Unquote



The archaic land acquisition act must go to prevent Nandigram in every state.

**Supreme Court of India**



In Pune's Yerawada there is a mental hospital, he (Digvijay Singh) should be taken there.

**ANNA HAZARE**

Social Activist, on the Congress general secretary accusing him of RS



RSS can not remain a mute spectator to the social revolution taking place against corruption and black money.

**Mohan Bhagwat**

Sarsangchalak RSS



The militarys control of foreign policy must end. There should be no more sacred cows.

**Nawaz Sharif**

Former PM of Pakistan

## Democracy assaulted, again

*"As I would not be a slave, so I would not be a master. This expresses my idea of democracy."*

— (Abraham Lincoln)

"The question before us is not whether Indira Gandhi should continue to be prime minister or not. The point is whether democracy in this country is to survive or not. The democratic structure stands on three pillars, namely a strong opposition, independent judiciary and free press. Emergency has destroyed all these essentials". This was the statement made by Sant Harcharan Singh Longowal in 1975, after he refused to meet the representatives of the then Prime Minister Smt. Indira Gandhi so long as the Emergency was in effect. Indira Gandhi had offered to negotiate a deal with the Shiromani Akal Dal, Rashtriya Swayamsevak Sangh, which was believed to be close to opposition leaders, and with its large organizational base was seen potential of organizing protests against the Government, was also banned. The events and bitter memories of June 1975 were refreshed once again by the recent events, again in the month of June almost thirtyfive years later. In 1975 Lok Nayak had addressed the huge public gathering at Ramlilla grounds. Whether it is a mere coincidence or is there any relation between the month of June and Congress party is immaterial. Congress party particularly its first family appears to have some special empathy for this month as it is in this month that the party has attacked democracy repeatedly. In 1975 it was on June 25th that the emergency was imposed and decision to rule by decree, suspending elections and civil liberties enforced. Attempt to crush the people's movement under the leadership of Jayaprakash Narayan who had given the slogan of SAMPOORAN KRANTI KANARA BHAVI ITIHAAS HAMARA HAI was made with all the force at command, giving a damn to the legal and moral values. This gravest assault on the democracy in India was inflicted by the 'self-proclaimed' political heirs of Mahatma Gandhi. People in free India were put under detention without charge or notification of families; those detained were abused and tortured and a massive propaganda campaign was launched misusing public and private media institutions. In spite of all the fascist methodology used to silence the dissent the attempt failed and people of India chose democracy at first available opportunity in 1977.

UPA government headed by Dr. Manmohan Singh and remote controlled by Madam Sonia (Maino) Gandhi is repeating the history. Under attack from all sides and the massive public movement that is forcing people in high offices to come out clean or land in Jail, has scared the government. Scandal after scandal and scam after scam have been exposed in past few years establishing almost beyond doubt the fact that the present dispensation is not only the most corrupt regime of Independent India but also ascertained in the process involvement of people at the helm. The impression that the first family of Congress Party is fully involved in this plunder is gaining ground with every passing day. This is leading to the incremental participation of people in the movement against Corruption and Black Money which has further unnerved the rulers and the drift within the government as well as the Congress Party is visible. The response to public anger and political dissent by the Congress led UPA has been oppressive and undemocratic to say the least. Fed up with unrestrained corruption, open plunder of public money and gross mismanagement of the affairs of the country people are expressing their displeasure. Intensity of public resentment can be measured by the involvement of ladies, adolescents and even old and infirm. That the annoyance is not confined to one area but is instead spread across the country is another aspect of this mass exasperation. Using brute force against unarmed people in the middle of night, taking CBI out of RTI ambit and bugging its own Finance Minister and second most important person is a panic reaction. Out of fear of exposure and possible fall from the esteem of the central leadership, Congress party is loosing control over both government and its allies. Possible realignment of forces on socio-political level is adding to their horror. But it is said that Fear cannot be banished; it can only be mitigated by reason and evaluation.



*A dispassionate revisiting of robust, well-balanced and accepted Indian tradition of expressing public dissent against an unresponsive state and its wings of authority can add vital dimensions to the ongoing public discourse on the issue, believes*  
**Anirban Ganguly**

## Revisiting the Indian Tradition of Public Dissent

### Avant Propos

Writing a foreword to noted social historian and political philosopher Dharampal's (1922-2006) book '*Civil Disobedience in Indian Tradition*' [1971] legendary Indian mass leader and socialist thinker Jayaprakash Narayan (1902-1979) made certain poignant observations on the Indian tradition of the relationship between the ruler and the ruled and more importantly on the role and legitimacy of public movements within a democratic framework. Under the current national climate – animated by much talk on and sparring over 'civil-uncivil' issues and the questioning of the expressions of public dissent in a democratic state – a reading of Narayan's observations, Dharampal's thoughts and historical findings of the existence of an Indian tradition of public expression of dissent as well as excerpts of thoughts of one of the most

celebrated originators of the doctrine of mass protest may perhaps prove to be useful. The nature of the state and the political realm in this country may have undergone vast changes since the works proposed to be revisited were formulated and yet in their essentiality, the patterns and manifestations of behaviour between the ruler and the ruled continue to retain vestiges of similarity with past expressions of public dissent. This is not intended as an exercise in unraveling the intellectual semantics of a particular term or expression but rather an effort at revisiting a debate and tradition that had once formed part of the Indian polity and its past epic struggle for self-expression.

### **The Myth of the Hindu Despot and the Peoples' Right to Dissent in India**

Through his compilation Dharampal demolished, based on primary historical records, the fal-

lacious notion of the Indian people being collectively as well as individually docile, inert and submissive in the extreme *vis-à-vis* the state. The picture that emerged out of past historical experiences was that of a balanced relationship between the ruler and the ruled and of the people's right to express dissent and displeasure against any arbitrary statutes, irrational decrees and autocratic behaviour of the ruler. The records yielded evidence of the 'amazing powers of resistance to the state in the common people' when the state 'became oppressive or transgressed the limits of its authority', and Narayan, in his foreword, was quick to take note of that interesting historical precedence. 'The behaviour of the five hundred and odd princes towards their people during British rule had created the general impression that the king in the Hindu polity was a tyrant and there was no limit to his

power as far as it related to his subjects, who were supposed to be traditionally docile and submissive', observed Narayan. That myth he said was broken by later studies of Hindu polity which revealed 'quite a different type of relationship, [and] allowed even for the deposition of an unworthy king by his people.' In fact, the exhortations to the people in the Mahabharata's *Santi Parva* to rise against and depose that King which it describes as *Kali* (evil and strife) incarnate, who does not protect his subjects after 'declaring "I shall protect you' or who 'extracts taxes and simply robs them of their wealth [and] gives no lead' was no more being seen as mere idealization of a pre-modern past. Referring to this very republican spirit and mechanism of Hindu polity and the latest findings on it one of the doyens of Indian historical research D.R.Bhandarkar – then Carmichael Professor of Ancient Indian History and Culture at Calcutta University – in his *Lectures on the Ancient History of India* (1919) wrote, 'I have attempted to set forth the evidence which, if it is impartially and dispassionately considered, seems to show that there was a time in the Ancient History of India when Monarchy was not absolute and uncontrolled. We have been so much accustomed to read and hear of Monarchy in India as being always and invariably unfettered and despotic that the above conclusion is apt to appear incredible to many as it no doubt was to me for a long time.' Sri Aurobindo, in his essays on the 'Indian Polity' was more explicit while demolishing the myth of the 'Oriental Despot', 'the Indian monarchy', he observed, 'previous to the Mahomedan invasion

was not, in spite of a certain sanctity and great authority conceded to the regal position and the personality of the king as representative of the divine Power and the guardian of the Dharma, in any way a personal despotism or an absolutist autocracy: it had no resemblance to the ancient Persian monarchy or the monarchies of western and central Asia or the Roman imperial government or later European autocracies: it was of an altogether different type of an altogether different type of the Pathan or the Mogul emperors.' Though the king wielded supreme administrative, judicial and military power it was not personal, 'and was besides hedged in by safeguards against abuse and encroachment and limited by the liberties and powers of other public authorities and interests who were, so to speak, lesser copartners with him in the exercise of sovereignty and administrative legislation and control.' I am not entering into the elaborate analysis of the system and concept of Dharma – that kept the monarch within bounds; it would suffice for the present discussion to point out that the 'legists provided for the possibility of oppression. In spite of the sanctity and prestige attaching to the sovereign it was laid down that obedience ceased to be binding if the king ceased to be faithful executor of the Dharma. Incompetence and violation of the obligation to rule to the satisfaction of the people were in theory and effect sufficient causes for his removal.'

Jayaprakash Narayan's perusal of Dharampal's collection of documents that described incidents of public dissent in eighteenth and nineteenth century India by resort-



ing to techniques that appeared to be similar to those employed in the non-cooperation and civil disobedience movements later, made him reinforce the above arguments, namely that 'there had developed in the course of Indian history an understanding between the ruled and the ruler as to their respective rights and responsibilities. [And] whenever this traditional pattern of relationship was disturbed by an autocratic ruler, the people were entitled to offer resistance, in the customary manner, that is, by peaceful non-cooperation and civil disobedience.' It also appeared to him that in the event of such an action by the people 'the response of the ruling authority was not to treat it as unlawful defiance, rebellion or disloyalty that had to be put down at any cost before the issue in dispute could be taken up, but as rightful action that called for speedy negotiated settlement.' In short, in the ancient scheme of

***The mass civil disobedience technique made its renewed entrée in the Indian nationalist struggle through the Mahatma's application of it.***

Hindu polity ruler despotism was nearly absent, the people had the right to dissent and register protest and such expressions were taken due cognizance of and often course corrections initiated. Of course the effectiveness of such protests, as Dharampal argued, 'was dependent upon there being a *commonality of values between the rulers and the ruled*', and once this commonality disappeared as in the case of an occupying or alien government these methods became less effective and gradually withered away. Narayan, the inveterate non-cooperator, saw the British as having destroyed the last vestiges of this rather ingenious system, of having dissolved that commonality and of having ultimately imposed the theory 'that it is the duty of the people to obey first and then to protest.' He discerned the continuance of this theory to the present day as 'one of the more malignant features' of that machine of governance [he was referring here to the 'bureaucratic machine'] that we have adopted 'without change' from our colonial masters for use in a free and democratic system.

While summing up the debate, Narayan, soon to lead one of the largest democratic mass move-

ments of dissent in independent India, made an extremely relevant observation that has perhaps not lost out its contemporaneity. While referring to the attitude of the rulers to the expressions of protests by the ruled in the last two odd decades of independent existence that he was witness to, he noted with deep insight for such future situations that, 'had the government conceded the right of the people to disobey and resist peacefully whatever seemed unjust or oppressive to them, a code of conduct would have evolved through the past 25 years [he was writing this around early 1970 or 71] that would have set the limits of the people's and party's action on the one hand and the government's action on the other.' He was making a case for a gradual reintroduction of that commonality that had long been a unique feature of governance in the ancient Hindu polity. Dharampal similarly observed that it was not the case that 'non-cooperation and civil disobedience are to be waged perpetually [against an indigenous government] – as is advocated of "revolution" by certain current doctrines. They are [to be] used when there is such a need. [And] the more the ruling apparatus and other centres of authority are in tune with the ruled or those affected, the less the need to resort to them.'

**The Mahatma and His Passive Resistance**

There is much talk now of how one ought not to try and attempt to emulate the methods of the Mahatma in all contexts and situations. While avoiding the quicksand of philosophical and ontological analyses of his thoughts and concepts, it would be interest-

ing to simply read the Mahatma's definitions of a passive resister, of civil disobedience and his firm belief in a past tradition of public dissent in India. They too appear instructive in the present situation when much qualification is being attached to the Mahatma's usually unalloyed expressions of these terms. The mass civil disobedience technique made its renewed entrée in the Indian nationalist struggle through the Mahatma's application of it. The earlier Swadeshi period between 1905 and 1909, had also introduced these techniques albeit in a limited manner and against tremendous state oppression. Though the movement had gained limited success it had served to shake the torpor of the masses, activated the length and breadth of the country and had proved beyond doubt the efficacy of the method of passive resistance and 'boycott.' Both Jayaprakash Narayan and Dharampal have argued that the Mahatma was aware of this historic tradition in India of expressing public dissent against an oppressive ruler, rule or system and therefore could, relating to it intuitively, reinvent the technique to suit the India of the 1920s and 30s.

Gandhi's opusculum '*Hind Swaraj*' defines a number of terms in a crisp and unadorned style. To the 'reader's' contention that 'We have always been considered a law-abiding nation' Gandhi answered that the 'real meaning of the statement that we are a law-abiding nation is that we are passive resisters. When we do not like certain laws, we do not break the heads of law-givers, but we suffer and do not submit to the laws. That we should obey laws whether good or bad is a new-fangled notion. There

was no such thing in former days...It is contrary to our manhood, if we obey laws repugnant to our conscience. Such teaching is opposed to religion and means slavery. But we have so forgotten ourselves and become so compliant, that we do not mind any degrading law.' Then obviously referring to past traditions of protest Gandhi argues that passive resistance has always been an age old technique in India and defines it, 'The fact is that, in India, the nation at large has generally used passive resistance in all departments of life. We cease to co-operate with our rulers when they displease us. This is passive resistance.' It is interesting to note that, at least here, there is no qualifying conditionality that the method can only be adopted in a state of servitude by an occupied people struggling for self-rule or that it can only be applied within the peculiarities of a colonial context. The statement somehow points at a historic and legitimate habit in India of expressing public dissent. Citing a historical instance, of which probably he was aware as having occurred in his native Saurashtra then dotted with tiny principalities, Gandhi recalled the event 'when, in a small principality, the villagers were offended by some command issued by the prince. The former immediately began vacating the village. The prince became nervous, apologised to his subjects and withdrew his command. Many such instances can be found in India.' The All India Congress Committee during the nationalist struggle and at the height of its idealism-phase had itself passed the following resolution, again without setting it within a fixed historical context or timeframe, in-

terestingly it held, 'civil disobedience to be the right and duty of the people to be exercised and performed whenever the State opposed the declared will of the people.'

It is difficult to precisely say how the Mahatma would have reacted to public movements expressing dissent in a free India considering the fact that one of his last epic fasts was aimed at his own government in order to compel it to take measurable steps on the ongoing disturbances and more importantly to force the reluctant Sardar's hands in paying a hostile and volatile Pakistan Rs.550 million as its share of the pre-partition government of India assets. A refrain therefore from trying to define the contours of a doctrine of 'Mahatamaism', is what would perhaps be a wise approach to the leader's formulations and vision at the present juncture.

#### **The Indian Tradition of Expressing Dissent—historical instances?**

Some remnants of the tradition of expressing public dissent against an oppressive law and non-performance of the ruler appeared to have existed in India in the recent past. The Mahatma's statement had initially pointed towards that and later Dharampal's unearthing of historical instances further strengthened that perception. Even the long years of external rule and invasions could not totally eradicate that method of protest, though its effectivity under various systems was either reduced or was gradually lost. It would be interesting to briefly look at some of these methods of public dissent through Dharampal's own rendering of them. Even the arch-imperialist historian of India J.S. Mill in his multi volume History of Brit-

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***“We cease to co-operate with our rulers when they displease us. This is passive resistance.”***

***- Gandhi***

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ish India records these expressions with much amazement. Dharampal refers to Mill's description too in his introduction to the work. Describing the people's protest in Benares against the imposition of a certain house tax, Mill narrates the curious event; it requires to be quoted at some length:

'In order to extend the public resources of the Government, it was thought advisable to impose a tax upon houses in the several towns and cities of Bengal, Bihar, Orissa and Benares [sometime around 1810]: religious buildings were exempted. Such a tax had been levied for some years without any difficulty or obstruction in Calcutta, and it was not expected that any serious opposition would be offered to it in other cities. The Government was mistaken. The measure was regarded as an innovation, and was vehemently opposed.' [In Benares the opposition was most visible and sustained.]

As soon as the intentions of the Government became known, great excitement prevailed throughout the city, and meetings of the different castes and trades were held to determine upon the course to be pursued. No obstruction was offered to the persons employed to assess the houses, but the shops were closed, every kind of occupation was abandoned, and such numerous crowds assembled on the outskirts of the town, that it was judged expedient by the

magistrate to call to the attention of the police a detachment of troops from the neighbouring cantonments. Their services were not needed as the people quietly dispersed; but on the same day a solemn engagement was taken by all the inhabitants to carry on no manner of work or business until the tax was repealed. Everything was at a stand: the dead bodies were cast unceremoniously into the river, because there was none to perform the obsequial rites, the very thieves refrained from the exercise of their vocation, although the shops and houses were left without protection, - the people deserting the city in a body [moved to the outskirts of the city and assembled three miles short of the residence of the European functionaries.] A petition was presented to the magistrate, praying him to withdraw the odious impost, and declaring that the petitioners would never return to their homes until their application was complied with. [All that the magistrate could do was to refer the matter to the Government in Calcutta]

Whilst awaiting for a reply from the Government, the people of Benares continue assembled, and were joined by many persons from the surrounding districts: the number was computed at more than two hundred thousand, comprehending the aged and infirm, women and children. They were supplied with food regularly at the expense of the opulent classes, and were actively enjoined to unanimity and perseverance by their religious guides and teachers. Their conduct was uniformly peaceable; passive resistance was the only weapon to which they trusted. They continued in the open air throughout the day, but many re-



turned at night to their homes.'

The above was not a stray event, similar such protests erupted elsewhere such as Patna, Moorshedabad, Bhagalpur etc. Even protesting posters were displayed on the streets of Benares and the magistrate calling them 'inflammatory papers of the most objectionable tendency' offered a reward of Rs.500 'for every man on whom such a paper may be found.' Mill's narrative was largely based on the Collector's report of the event. On the aspect of the crowd being unarmed the Collector tracking the developments reported, 'Open violence does not seem their aim, they seem rather to vaunt their security in being unarmed in that a military force would not use deadly weapons against such inoffensive foes. And in this confidence they collect and increase, knowing that the civil power cannot disperse them, and thinking that the military will not.' The Bhagalpur collector pushed for 'vigorous effort in support of the authority of Government, while the magistrate, who held responsibility for police and military action, 'tended to follow a quieter and somewhat less violent course.' He revealed interesting facets of the method in his report:

'We [the magistrate and some accompanying troops] there found about eight thousand persons assembled, but totally unarmed. The principal of them kept in the centre of the crowd so that it was impossible to apprehend them... They, however dispersed after having been repeatedly told that if they remained they would be fired at. They then requested permission to present a petition the next morning which I agreed to receive giving them fully to understand that the collection of the tax would not be suspended, nor the petition received unless presented to me in court in a regular and respectful manner. After the dispersions there remained a numerous rabble consisting partly of weavers and other artificers, the rest old women and children. I spoke to some of them who expressed an apprehension that if they began to disperse those who remained would be fired upon. But on being assured that would not be done they agreed to disperse, left the place at same time we did, and returned respectively to their houses.'

The picture that emerges is of a well-organised, disciplined, close knit group able to assemble and disperse peaceably. The Benares protesters' petition reproduced by Mill clearly spoke of such an existing tradition in India, 'The manner and custom in this country from time immemorial is this: that whenever any act affecting everyone generally is committed by the Government, the poor, the aged, the infirm, the women, all forsake their families and their homes, expose themselves to the inclemency of the seasons and to other kind of inconveniences, and make known their affliction and distress, that the Government, which is more con-

siderate than our parents, may observe their condition and extend indulgence to its subject.' The unresponsive alien rulers bound by an artificial and forced link to their subjects, quite naturally failed to appreciate the real import of the petition and the deeper appeal in it to a certain commonality.

### **Analysing the Tradition—a method of 'continuing interaction'**

Analysing the fundamentals of the event Dharampal brings out two crucial points: one, the manner of protesting did not 'imply any enmity between them [the people] and state power', it is reflected in the tone of their rejected petition which said, 'to whom can appeal for redress of what I have sustained from you, to whom but to you who have inflicted it.' And two, the concept of the ruler-ruled relationship that the people held till then and which seems to have driven them to adopt the method was one 'of a continuing interaction between the two' even in a situation of apparent confrontation or friction. This method of dialogue 'seems to have been resorted to whenever required, and its instrumentalities included all that the people of Benares employed in this particular protest.' Political asymmetry of power was sought to be addressed and tackled through a sustained process of dialogue and exchanges. It was only later that the people of India may have realised 'the futility of such traditional protests in relation to authorities wholly subscribing to an alien value system and who thus had nothing in common with themselves.' Such a realisation, Dharampal contended, could only have two fallouts, it would have either turned the people to violence or 'reduced them

## ***The unresponsive alien rulers bound by an artificial and forced link to their subjects failed to appreciate the real import of the petition.***

more and more to passivity and inertness.' Another point regarding participation in the protest that Dharampal indicated was that it involved all sections of the city population. The official report of the event stated that at the start of the movement 'an oath was administered throughout the city both among the Hindoos and the Mahommedans, enjoining all classes to neglect their respective occupations until' the collector gave a positive assurance that the tax would be abolished. The magistrate noted that 'The Lohars, the Mistrees, the Hujams, the Durzees, the Kahars, Bearers, every class of workmen engaged unanimously.' Among these the Lohars were most active as a 'strong and well knit group, taking the lead, calling upon other Lohars in different areas to join them.' The *Mullabs* [boatmen] also observed a total shutdown and relented only when the administration threatened to confiscate their boats. And nor was this a localized city based movement; emissaries were dispatched to 'every village in the province' for 'summoning one individual of each family to repair to the assembly at Benares' in order to lend greater weight to the effort. Acceding the point that the story of the 1810-11 protests

at Benares and other towns 'does not necessarily include every form of protest resorted to by the Indian people in relation to governmental or other authority Dharampal nevertheless concluded based on a rigorous analysis of the copious historical records that these 'should establish beyond any doubt that the resort to non-cooperation and civil disobedience against injustice etc., are in the tradition of India.'

### **Dissent within Democracy – the debate**

One major characteristic of the present Indian polity that Dharampal saw as having been inherited from 'two centuries of British rule was the 'persistence of eighteenth century and nineteenth century British notions and attitudes regarding the place of the people vis-à-vis their government.' He saw this attitude among the British records and continued to witness it in a democratic India. The documents showed that there was a frequent expression among governmental authorities in 1810-11 'of the sentiments that the people must give "unconditional submission to public authority"; that the Government must not seem "to yield to the influence of popular clamour"; that if the Government had to yield, it must be "without compromising in too conspicuous a manner the authority of Government.' The Benares magistrate forcefully reiterated the point while reporting the situation on January 20, 1811, he wrote, "I cannot but feel very forcibly, that such a state of things being permitted to continue in defiance of public authority, has already weakened, and weakens daily still more and more, those sentiments of respect, which it is so essential that the communi-

***'Principle of  
infallibility of the  
state structure  
established by the  
British continues to  
survive in India.***

ty should entertain for the government of the country.' Such 'notions and sentiments are still enshrined in the rules, codes and laws of Indian Governments' rued Dharampal.

Both Jayaprakash Narayan and Dharampal, quintessential non-establishment Gandhians who had cut their teeth in public activism under the tutelage of the Mahatma himself, appeared to be of the firm opinion that Satyagraha, civil-disobedience or non-cooperation had a place in a democratic set up. A suppression of these expressions would, they felt, give rise to violent manifestations with acutely adverse results for society and public well being. The debate on the relevance 'of non-cooperation and civil disobedience in a free country' Dharampal pointed out was not a new one and had raged even when the movement for India's independence was at its height and saw the participation of a number of eminent Indians. He saw the problem rather in the perpetuation of a certain notions of power that he felt to be intrinsically incompatible with the core Indian psyche and concept of State and people. The essential problem and therein the challenge was that the 'principle of infallibility of the state structure (and consequently of other units of power and authority) established by the British

continues to survive in India even after the elimination of British power... thus, while the reality of the principle of infallibility has been more or less abandoned, the rules, the codes and the laws which enshrine it, stay. And it is these latter that appear to provide the state system its real legitimacy and sanctity. Such a state of affairs has led to a most dangerous situation' by keeping intact 'the distrustful, hostile and alien stances of the state system *vis-à-vis* the people, but [it] also makes the latter feel that it is violence alone which enables them to be heard', Dharampal's loaded observation continues to hold deep significance for the present state of the Indian polity.

Dharampal was clearly convinced of the place for methods such as non-cooperation and civil disobedience within a democratic set up, he saw them as 'integral to the healthy functioning and even to the security of a free and democratic society.' In a way they were for him 'more crucial than stratified courts of law; the present forms of periodic local, state-level or national elections, or the rather stilted and constrained debates and considerations within such elected bodies.' He also saw as 'protectors of their state and societies' those who resort 'to non-cooperation and civil disobedience against callousness, authoritarianism and injustice.' Without them Dharampal felt a society would 'end up at best in some mechanical ritual; or more often likely, in a tyranny, provoking complete anarchy and armed insurrection.'

But perhaps the indomitable Jivatram Bhagwandas Kripalani (1888-1982), the Mahatma's comrade in arms during Satyagraha and

civil disobedience movements and one of the tallest non-conformists in the politics of independent India, made the point more forcefully when he said way back in 1953 'I *repudiate the view... that satyagraha can have no place in a democracy. Satyagraha as commended by Gandhiji was not merely a political weapon. It could be used in the economic and social fields and even against friends and family members. Gandhiji commended it as a principle of life. Therefore, it is absurd to say that has no place in a democracy, specially of the kind that we now have, bureaucratic centralised. All questions cannot await the next elections nor can a government be over-thrown on the basis of local grievances, which for sections of the people may be questions of life and death. The denial of the right of satyagraha would mean unresisting submission to tyranny for long stretches of time.*' Similarly, K. Santhanam (1895-1980) satyagrahi, legislator, Nehru's Railway and Transport Minister and Chairman of the first Committee on Corruption also made a subdued but insightful intervention in the debate when he said that it is '*essential for democratic rulers to realise that true satyagraha is complementary to true democracy.*'

It is the perception of that essential balance, or as Dharampal would have termed it 'commonality', that seems to be lost in the current clamour, as is being lost the knowledge of a once extant robust, well-balanced & accepted Indian tradition of expressing public dissent against an unresponsive state & its wings of authority. A dispassionate revisiting of that tradition, as done by Dharampal, may perhaps add other vital dimensions to the ongoing public discourse on the issue. □□

(The Author is a Research Associate, VIF)

## Let us make Asian Monetary Fund



*Developing countries should not expect the developed countries to hand over control of the IMF voluntarily. Prime Minister Man Mohan Singh should, therefore, take the initiative to establish an Asian Monetary Fund; and encourage Africans and South Americans to do the same. Role of the IMF will be then reduced and there will no longer remain a necessity to seek appointment of a developing country national to lead that institution, proclaims **Dr Bharat Jhunjhunwala***

The process of selecting the new Head of the International Monetary Fund (IMF) has been started after resignation of Dominique Strauss-Kahn. French Finance Minister Christine Lagarde appears to be ahead in the race. French nationals have been the head of IMF in 25 of the past 36 years. This tradition is set to continue with Lagarde's accession. There is an unwritten agreement between the United States and European countries that head of the World Bank will be an American while head of the IMF will be a European. Prime Minister Man Mohan Singh has desired that a person from the developing countries should head the institution instead. However, he has accepted that the selection is finally undertaken by dynamics of power which is stacked against the developing countries.

Policies espoused by the IMF have deep impact on the developing countries. Before Strauss-Khan, the IMF wholly advocated free market policies. It wanted developing countries to encourage private sector, allow entry to multinationals, privatize public sector undertakings, minimize role of the government and leave exchange rate of the currency to be determined by the market. Thinking was that this would unleash the ener-

gies of the private sector, raise the rates of economic growth and reduce poverty. Strauss-Kahn moderated this neoliberal approach and placed employment generation and reduction of inequality explicitly on the agenda of the IMF. Lagarde is known to be a hard line neoliberal. It is likely that she will steer back the IMF in the direction of the unrestricted free market.

Such a change will deeply impact the economies of the developing countries who borrow from the IMF during financial crises. The IMF imposes certain conditions before granting loans even in times of distress. For example, IMF can require the borrowing

country to reduce import duties on items like cloth. The loan would be granted only if the borrower agreed to this condition. Such conditions impact the people adversely. Domestic weavers lose their livelihoods. But these conditions are music to the developed countries. Their companies get access to developing country markets and multinationals are able to make investments. Yet, developing countries had to accept such hard conditions faced with financial bankruptcy. Choosing head of the IMF from the developing countries would prevent imposition of such hard conditions. India had made such a bor-



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***The present quota system does not reflect the true status of the world economy.***

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rowing in 1991 when faced with balance of payments crisis and also accepted certain conditions.

Proof of the adverse impact of the conditions imposed by the IMF lies in the East Asian crisis of late nineties. Those countries had eagerly implemented the IMF prescriptions but they landed into crisis. Western multinationals suddenly pulled out their investments and their currencies had to be devalued severely. Standards of living of their people fell. The developed countries were not much affected though. They got back their money. The basic question, therefore, is whether the IMF will promote the interests of the developed- or developing countries?

He who pays the piper calls the tune. So also is with the IMF. The IMF is structured like a private company. Countries are allotted quotas just as private companies allot shares after an Initial Public Offering. Member countries contribute to the corpus of the IMF and also get voting rights in this proportion. The IMF was formed after the Second World War. At that time the United States was center of the world economy. Europe stood at No 2. Quotas were determined in line with this reality. The United States and European countries were the major contributors with rest of the world being marginal players. The IMF started its lending activity with

this corpus. The structure of the world economy has changed much since then, however. Share of the developing countries has increased dramatically but the quotas remain more or less at the old level. For example, India's share of the world income according to purchasing power is 6.2 percent but her vote share in the IMF is 2.5 percent. On the other hand, Germany's share in the world economy is 4.0 percent but it has a vote share of 6.1 percent. The present quota system, therefore, does not reflect the true status of the world economy. The developing countries are demanding that the quotas be redistributed according to the present status of a country in the world economy but the developed countries are not accepting this.

Why should they? They have contributed to the IMF in order to promote their economic interests. The IMF, naturally, promotes the interests of their multinational companies and not those of the businesses of the developing countries. A parallel objective is to maintain stability of the world economy—a stability that secures the present dominance of the developed countries. The developing countries also borrow directly from foreign banks in addition to borrowings from the World Bank and the IMF. Foreign companies invest in their share markets. The whole global financial system can breakdown if a major developing country defaults on these repayments. Such a breakdown would not only lead to huge losses for the Western banks but also jeopardize dominance of the developed countries. Thus developed countries prefer to provide loans to the troubled de-

veloping countries and prevent such an eventuality. They do not wish to hand over the reins of IMF to the developing countries for this same reason.

An institution under the name of 'Chiang Mai Initiative' has been established in the year 2000 under the leadership of China, South Korea and Japan to face this arm twisting by the developed countries. The corpus of Chiang Mai is US\$ 120 billion which is quite respectable considering that corpus of the IMF is US\$ 750 billion. Chiang Mai will operate like the IMF and provide assistance to Asian countries in distress. Role of Chiang Mai can be understood by an example. Say a villager is under financial distress. Normally he would approach the village moneylender. He would mortgage his land and perhaps remain indebted for decades. However, if there was a Self Help Group that could provide the financial assistance then he would be saved. Chiang Mai is like the Self-Help Group. East Asian countries have resolved to bail their brother-in-distress out instead of having to approach the IMF. Then they would not have to bear the burden of conditions imposed by the IMF.

Developing countries should not expect the developed countries to hand over control of the IMF voluntarily. Prime Minister Man Mohan Singh should, therefore, take the initiative to establish an Asian Monetary Fund; and encourage Africans and South Americans to do the same. Role of the IMF will be then reduced and there will no longer remain a necessity to seek appointment of a developing country national to lead that institution. □□

## Lost in the din: Baba Ramdev's plan to save agriculture



*Tens of thousands of people had come to Delhi to support the fast of Swami Ramdev that began on June 4. In the early hours of June 5 (the midnight of June 4/5) Delhi police backed by Rapid Action Force swept on sleeping protestors using teargas and lathi-charge to evict them, asks Dr. Devinder Sharma*

Standing on the dais and looking at the sea of humanity that braved the heat of the peak summer season in New Delhi, I wondered what these millions were here for. It had been almost ten hours since the indefinite fast that Swami Ramdev launched and I was trying to read the faces of some of those who I could see clearly from where I was sitting. This was in the afternoon of June 4. The turn of events in the next few hours have put a permanent blot on the face of Indian democracy.

These were poor people. A majority of them came from the lower strata of the society. They were drenched in sweat. They had poured in from distant parts of the country. Some came in trains, some in public buses; some came as part of better organised bus loads. With their bags on their heads or slung on their shoulders, and quite a large number coming with their families, including small children, they thronged to Ramlila grounds in the heart of Delhi with a great sense of hope and determination which was clearly visible on their faces. Victim of continuous apathy, neglect and discrimination, they were born in misery and will probably live all through in misery. Treated like cattle, and shunned by the perfumed class



who are more or less beneficiaries of the corrupt system, they had demonstrated their willingness to walk the extra mile knowing well it was going to be really hard and tough.

As I sat there on the stage, I could see clearly the mired expressions on some the faces I tried to scan. The Incredible India, as the Shining India brigade would normally refer the million to, had arrived.

Besides the contentious issue of getting back the black money stashed in safe havens outside the country, Swami Ramdev had struck a common cord with the masses. Here is one person with whom I have interacted in recent

times who I find has a finger on the real nerve of the nation. Rooted firmly on the ground, he has relentlessly called for changes in a manner that would have direct bearing on the deprived millions. He talked of providing technical and professional education in regional languages, he talked of repealing the draconian land acquisition provisions and also understood how dangerous it would be for not only country's food security but also the national sovereignty by allowing indiscriminate transfer of agricultural land for non-agricultural purposes.

At a time when the perfumed class chanted the mantra of development — by usurping the nat-



### ***Preserving productive agricultural land for cultivation assumes utmost importance.***

ural resources and by displacing the millions – Swami Ramdev talked of empowering the masses. And that is why Shining India in reality hated him, and in lot many ways feared him. Ever since the time I fist sat down with him to discuss what is going wrong with agriculture I found in him someone who was not only receptive but also wanting to understand the complexities and look for viable solutions. To me – and also for him – reviving agriculture and thereby empowering the masses is the key to true economic growth, progress and happiness. I could therefore see in him as an amplifier, someone who could carry the message loudly and clearly. He had the strength to demonstrate that another India is possible. He was keen to help provide viable alternatives.

At a time when the State was colluding with the Corporates to take over agriculture and push farmers out of farming, Swami Ramdev emerged as a strong voice in favour of self-reliance. The charter of demands that HRD Minister Kapil Sibal now frowns at actually had a number of such positive elements for transforming agriculture thereby effectively ensuring household food security and minimising hunger and poverty. It was after a lot of deliberations that Swami ji had narrowed down a vast plethora of issues to some salient features that needed immediate attention. These set of interventions were included in the list of demands that Swami Ramdev had sent to the Prime Minister.

The first set of demands pertained to land acquisitions. Primarily, the demand was for not allowing agricultural land – whether it is mono-cropped or multi-cropped – to be diverted for non-farm purposes. Even where it is to be definitely acquired given the nature of public utility, permission has to be sought from the

Gram Sabhas. It was pointed out very clearly that already the country is in the throes of a crisis given that the demand for food is requiring more area to be maintained under agriculture. For instance, it was pointed out that if India was to grow domestically the quantity of pulses and oilseeds (in the form of edible oil) that are presently imported, an additional 20 million hectares would be required.

Preserving productive agricultural land for cultivation therefore assumes utmost importance. In the United States, the US government is providing US \$ 750 million for the period 2008-13 under the Farm Bill 2008 to farmers to conserve and improve their farm and grazing lands so as to ensure they do not divert it for industrial and private use. On the contrary, India is in a hurry to divest its farm lands and turn them into concrete jungles in the name of development.

India is faced with a terrible agrarian crisis. The serial death dance across the country, with over 2.5 lakh farmers already committing suicide, shows no signs of ending. Much of the crisis is because of the unsustainable farming practices that have turned the Green Revolution to a Gray revolution. Reviving agriculture and restoring the pride in farming form the two most important planks of any nationwide strategy to revitalise the rural economy. The following are some of the key elements of the farm strategy and the immediate approach that needs to be followed:

- a. Knowing that GM crops/foods pose serious environmental and health hazards, Swami Ramdev had asked for a 10-year moratorium on Bt-

Brinjal and all field trials and commercial release of GM crops. The basic purpose is to ensure that the biotech industry is not allowed to contaminate the environment and thereby destroy the biodiversity that is available. He had also demanded that facilities for 29-biosafety tests that the Supreme Court nominee on the Genetic Engineering Assessment Committee (GEAC) Dr Pushpa Bhargava had called for be first ensured before any GM crop/food is allowed for commercial release.

- b. Seed is emerging a major issue of contention for farmers. Over the years, the government has facilitated the takeover by private industry of the seed supply and trade. This has taken away the control of farmers over their seed. Although there were a number of suggestions and approaches that we discussed, finally Swami Ramdev included two major areas of focus in relation to seed. First was the need to regulate seed price considering that industry continues to fleece farmers by charging exorbitantly. Secondly, every district should have a community-controlled seed centre with a gene bank for traditional seeds. The local available seed diversity needs to be protected and conserved at any cost.
- c. The use and abuse of chemical pesticides has played havoc with human health, the food chain and also resulted in an unbalanced biological equilibrium in nature. It is now being realised that agriculture can perform much better without the use of chemical pesticides



***The nation lost a historic opportunity to debate & deliberate on worthwhile approaches that could usher in self-reliance in agriculture.***

- d. which are not only a drain on the farmers pockets but also is harmful for human health and environment. Following the decision to phase out dreaded chemical pesticide Endosulfan under the Stockholm Convention, the demand was to also ban 67 pesticides which are being used in India but are banned for use elsewhere.
  - d. A beginning could also be made by ensuring that in the proposed 12th Five Year Plan at least a target to convert 25 per cent of the total agriculture area be fixed for converting to zero pesticides use. Already 40 lakh acres in Andhra Pradesh has been brought under non-pesticidal management by under a government programme and this could be replicated across the country.
  - e. A National Sample Survey Organisation (NSSO) survey had concluded that the average monthly income of a farming family in India does not exceed Rs 2400. No wonder, more than 40 per cent farmers have expressed the desire to quit farming if given an alternative. Because of the dwindling farm incomes more and more agrarian distress is becoming visible. A Farmers Income Commission therefore needs to be setup and income guaranteed to the farmer under a Farmers Income Guarantee Act (FIGA)
  - f. It is strange paradox that while 32 crore people go to bed hungry every night foodgrains continue to rot in storage. A centralised procurement & distribution network has failed to ensure that food reaches those who need it most. Suggesting for local production, local procurement & local distribution, community grain storage banks need to be established in every panchayat. This will not only minimise grain wastage but also ensure that food reaches the hungry.
  - g. Education in the Agriculture, Health and Engineering Sectors should also be in Hindi and other State languages.
- I don't think any political party or the common minimum programme of the successive coalitions that ran the country has ever projected such a comprehensive agricultural and rural economy plan. Unfortunately, amidst the din and noise created over black money and corruption, the proposals to revitalise the rural economy by strengthening agriculture were simply ignored. The nation therefore lost a historic opportunity to debate and deliberate on some worthwhile approaches that could usher in self-reliance in agriculture and put an end to farmer suicides. □□

## Voodoo economics: FDI in retail will curb inflation!



*With successive governments in India acting heavily in favour of foreign interests, one gets a distinct feeling that more often than not, issues in India, in the immediate future, will increasingly get settled on the streets than through informed debates, cautions M R Venkatesh*



At the beginning of the last year Prime Minister Manmohan Singh assures us that inflation will come down by March. In March, after the Budget was presented the same year, Finance Minister Pranab Mukherjee assures us that the effect of his budgetary proposals in controlling inflation will be visible by May. In May, Deputy Chairman of the Planning Commission Montek Singh Ahluwalia tells us that inflation will come down once monsoon is fully active across the country. But monsoon in real life is either in excess or in deficit; never 'perfect' or 'normal'. So by August, the economic advisor to the prime minister tells us that inflation continues to be high because of drought or floods, or for that

matter, both.

In October, the economic advisor to the finance minister takes over and tells us that inflation is high on account of higher demand during the festival seasons between September and November. The prime minister then takes over at the beginning of this year and resumes the same story all over once again.

I may not have got the sequence right regarding the utterances of these men – but I am sure that this is the sum and substance of the 'response' of the government's agenda to fight inflation. What is appalling to note here is that the government is completely cut off from the causes that drive inflation in India and hence, to that extent,

clueless in working out a solution.

### FDI in retail: Voodoo economics at its best

In the last week of May 2011, a high level government committee headed by Kaushik Basu, chief economic advisor, recommended the contentious policy issue of opening up of multi-brand retail to foreign direct investment — ostensibly to rein in inflation.

While the copy of the report has not yet been made public, press report suggests that the core arguments contained in the report were that inflation prevailing in the country was primarily on account of issues contained in managing supplies from the farm gate to the consumers.

“The gap between farm gate prices of agricultural produce and the retail prices (in India) are amongst the highest in the world as also amongst the emerging markets. China, which opened its retail sector to FDI in 2004, has shown the benefits of opening of the sector and having in more players,” Basu is reported to have said.

Suddenly Chinese statistics have become credible. Press reports also suggest that this study was inspired by a similar research by the International Monetary Fund (whose credibility too is questionable) which suggested allow-

ing FDI in retail trade could dampen inflationary pressures.

It is indeed pertinent to note that organised retail in India is less than 5 per cent when compared to 20 per cent in China and in excess of 50 per cent in some of our Asian neighbours.

But one must understand the difference between organised retail (where domestic capital is used) and allowing FDI in retail, where the presumption is that it is foreign capital, technology and management that would do the trick!

The underlying logic for this suggestion is that FDI in retail would reduce losses in transportation, improve logistics, reduce prices, provide remunerative prices to farmers and open up foreign markets for our small and medium enterprises.

In short a win-win situation for everyone. Well, if wishes were horses, beggars would ride . . .

While it is indeed true that there is enormous scope for improvement in the management of our supply chain between the farm gate (or factory gate) and consumers, the fact remains that we are stuck with archaic laws, poor infrastructure and a very strong anti-reform lobby. No wonder the Confederation of All India Traders (CAIT) strongly opposed the proposal to open up retail trade to FDI and said that the arguments in favour of it were 'totally irrational and illogical'.

While one may not entirely agree with the CAIT on its own counter arguments, one must concede that the CAIT is spot on when it says ' . . . the argument that FDI in retail will tame inflation is nothing but an imaginary exercise by the people who have the tendency to ignore the ground realities'. And

*inflation*

***Linkages between controlling inflation by allowing FDI in retail seem irrelevant, at best, and stupid, at worst.***

controlling inflation by allowing FDI in retail to me is the crux of the issue. Is it wishful thinking? Is it an imaginary exercise? Or is it acting under the hydraulic pressure of the global retail lobby?

Whatever be it, the linkages between controlling inflation by allowing FDI in retail seem irrelevant, at best, and stupid, at worst.

By setting up a few malls in our cities one is not sure as to how the government can control inflation across the country. Either our government is too naive or simply believes in voodoo economics. Mostly the later, it appears.

#### **A command performance?**

In the run up to the visit of American President Barack Obama to India in 2010, Wal-Mart chief executive Mike Duke arrived in India a few days earlier to set the stage with a strong pitch for liberalising this industry.

Duke is reported to have stated that 100 per cent FDI in the Indian retail sector would 'help contain inflation in India'. He added that FDI in retail would contain inflation by reducing wastage of farm output, as 30 per cent to 40 per cent of the produce does not reach the end-consumer.

Also, "In India, there is an opportunity to work all the way

up to farmers in the back-end chain. Part of inflation is due to the fact that produce does not reach the end-consumer," Duke said.

If controlling inflation was supposed to be an incentive to the consumer, Duke offered palliatives for Indian manufacturers too. According to him, allowing FDI into this sector "will also enable Wal-Mart to increase sourcing of products from India by developing more vendors here."

Well, if press reports are to be believed, the Kaushik Basu report in 2011 faithfully reproduced these arguments put forth by Mike Duke. For the uninitiated, fashioning policy formulations by working through the government is part of a larger business strategy adopted by multinational retail giants. Those who have been following developments in the past few years know that Wal-Mart alone must have spent millions of dollars in India for lobbying with our government to open up retail sector for FDI.

President Obama, no less, too is reported to have lobbied hard with the Indian government during his visit to India last year.

Is the Kaushik Basu report merely a part of this larger design? Or is merely coincidence? Was it a command performance? Well,

your guess is as good as mine.

Nevertheless, we seem to ignore that the Doha Round negotiations are underway for over a decade now. By unilaterally opening retail to foreign trade, we run the risk of getting far less in the multilateral negotiations of the Doha Round. And in such a scenario, we could end as net losers.

Similarly, the Kaushik Base report seems to suffer from a fatal flaw. In a brilliant two-part article authored by Kamal Sharma and Jeevan Prakash Mohanty titled *FDI in retail: A question of jobs, not ownership in retail* (*Business Line*, Sept 29, 2005.) the authors point out: "The primary task of the government is still providing livelihoods and not create so-called efficiencies of scale by creating redundancies. If we assume 40 million adults in the retail sector, it would translate into

around 160 million dependents. Opening retailing to FDI means dislocating millions from their occupation & pushing vast number of families under the poverty line. The western concept of efficiency is maximising output while minimising the number of workers involved. This will only increase social tensions in a developing country like India, where tens of millions are still seeking gainful employment."

And should small retailers feel the pinch on account of unfair trade practices adopted by larger retailers, they are supposed to rush to the Competition Commission of India (CCI), file a petition hiring expensive Delhi-based lawyers and instantly get succour from the Commission. How stupid. How insensitive. How sinister.

Do the authors of this idea

understand India, its complexities and the structure of its economy? The assumption as to how a small bureaucratic set-up in New Delhi can act as a countervailing force to tackle the monopolistic and predatory tendencies of large multinational corporate is indeed fatally flawed, especially in the context of such multinational corporate themselves fashioning policies of the government in the first place.

With successive governments in India acting heavily in favour of foreign interests, one gets a distinct feeling that more often than not, issues in India, in the immediate future, will increasingly get settled on the streets than through informed debates. Allowing FDI in retail seems to be destined to be settled in the streets. □□

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## Centre sat on CBI report against Dayanidhi Maran



*Based on official records of CBI, BSNL & other government organs Sh. S. Gurumurthy exposes shocking misdeeds of Dayanidhi Maran, the former Telecom Minister.*

Indeed a shocking, daring robbery. A telecom central minister from Tamil Nadu got the BSNL to connect 323 telephone lines to his home, not in Delhi where he had work, but in Chennai where he had none. He got all the 323 home lines listed not in his name but in the name of the Chief General Manager BSNL Chennai. These lines virtually constituted a telephone exchange in the minister's home. It was exclusively used for his family business by laying 3.4 km long secret cable along public roads to connect the lines to the business premises. This had caused huge loss to BSNL. Who was that enterprising minister? The infamous A Raja? No. It is the famous Dayanidhi Maran; Raja's predecessor, now the central Textile Minister. The CBI, which probed the fraud, wrote to the Secretary Telecom on 10.9.2007 recommending action against Maran for the fraud.

Dayanidhi Maran was obviously not playing marbles with 323 telephones. He got the BSNL to lay separate and exclusive underground cable from his Boat Club home to the SUN TV office at Anna Arivalayam in Anna Salai and fraudulently linked the 323 home lines to his brother Kalanidhi's SUN TV network. The first 23 of the 323 lines bore numbers '243722



11' to '24372301' and the next 300 lines bore numbers '24371500' to '24371799'. Since the first four digits '2437' were common for all 323 lines, the lines constituted a home telephone exchange. The Dayanidhi home exchange was operational in the SUN TV establishment for at least months from January 2007 through the fraudulent cable connection from Dayanidhi's Boat Club home. They were no ordinary telephone lines, but costly ISDN lines, which could carry tons and tons of TV news and programmes faster than satellites to any part of the world. These lines, the CBI says in its report, are "normally used by medium to large

commercial enterprises to meet special needs such as video conferencing, transmission of huge volume of digital data of audio and video" – precisely the facility that SUN TV would need for its telecasting operations. For this, the SUN TV would have paid huge cost. But it got it all free, at government's cost.

The Maran home exchange, says the CBI, was "programmed in such a way that no one other than the authorised BSNL staff were aware of the existence of such an Exchange created for his [minister's] exclusive use". It added that by linking the minister's home and SUN TV office by the

***It was not one of those secret White Collar frauds, but a crime committed in the open roads.***



stealthy cables, “it would appear as if the lines were used in the residence of the former minister, but actually the cables laid facilitated SUN TV network to utilise the services of BSNL provided at his residence”. Google map shows the distance to SUN TV as 3.4 kms along the main artery roads of the area, which were dug up to bury the illegal underground cables from Maran home to SUN TV office! It was not one of those secret White Collar frauds, but a crime committed in the open roads.

What could be the probable loss to the exchequer by this fraud? On “a sample study”, the CBI says, “it is learnt that 48,72,027 units of calls have emanated from [just] one Telephone No 24371515 in the month of March 2007 alone, which is indicative of the massive multimedia transfer in the underlying connections”. Just one of the 323 lines accounted for over 48 lakh call units in March 2007 alone – Yes almost 49 lakh call units in one month, through one of the 323 phones! Assume that each of the 323 connections was put to use as efficiently as Marans had operated the Number 24371515; the total

number of call units SUN TV would have unlawfully robbed the BSNL during January 2007 to April 2007 [Maran resigned on May 13] could be as high as 629.5 crore call units. With the prevailing rate of 70 paise per call unit could the loss to BSNL be as high as `440 crore? Only a thorough investigation can reveal the true loot. But, the story does not end here. SUN TV’s print cousin ‘Dinakaran’, too has got its share of the loot. Says the CBI: “It is also learnt that similar service connections with ISDN facilities have been provided at the office of Dinakaran, a Tamil Daily, belonging to the group of SUN TV Network at Madurai, though specific phone numbers are not available”. But how did the CBI get to investigate the fraud and where is its report now? It calls for a brief flash back.

Maran, a grand nephew of Karunanidhi, was the central telecom minister from June 2004 to May 2007. Perhaps the only Hindi knowing family member, Maran was Karunanidhi’s eyes and ears in Delhi and his connect to Sonia Gandhi. The ‘young’ and ‘dynamic’ minister was amongst the most

powerful in the UPA government of which the DMK was the most critical partner.

### **Telecom Ministry sitting on CBI report for over 44 months**

Need an illustration for Maran’s reach then? Not only could he threaten Ratan Tata to part with a third of Tata DTH shares, but he also could threaten him not to reveal that he had threatened him! But suddenly, Maran fell from the cliff into the pit, thanks to a costly slip by Dinakaran, a Tamil daily owned by Dayanidhi’s brother Kalanidhi Maran. On 9.5.2007, Dinakaran carried an opinion poll that had trashed Karunanidhi’s son Alagiri as non-entity in Tamil Nadu politics. Alagiri’s angry supporters burnt down the Madurai establishment of Dinakaran on the same day, snuffing out the lives of three innocent staff. Karunanidhi sided with his son Alagiri against his grand nephews, the Marans. Result, Dayanidhi was instantly out of the DMK and the central ministry. It was then that the CBI probed the daring fraud. And now back to the main story.

The CBI had recommended action against Maran as early as in September 2007.

But the CBI letter is obviously sleeping somewhere since then, and for the last 44 months. The CBI letter had specifically asked the Telecom Secretary to bring the matter “to the notice of” Raja. So the case against Maran of DMK was to be approved by Raja also of DMK.

With the 2009 elections approaching, as was expected, warring nephews and sons of Karunanidhi patched up on December 1, 2008, with Karunanidhi saying, “my eyes grew moist and heart was

content.” The CBI letter was perhaps used to make Maran fork out generous terms for peace. After the 2009 elections, Dayanidhi, who got elected, attempted again to make it to the Telecom Ministry, but could not.

He became the Textile Minister instead; and he is so even now. With the family feud subsiding, the CBI letter against Maran began gathering dust somewhere in Telecom Ministry.

Haunted by the 2-G scam, Raja resigned in November 2010 and Kapil Sibal took over. Sibal is sitting on the CBI report since then. And Maran, as Textile Minister, is sitting in cabinet meetings along with Sibal. And despite the CBI advice for action against Maran sleeping for over 44 months, now Prime Minister promises to Baba Ramdev that he would tackle corruption with “seriousness” and “without delay”, while he himself is still sitting with Maran in cabinet meetings. It seems as much a comedy as it is a tragedy.

### Welcome Mr Dayanidhi Maran

The article is entirely based on CBI’s secret report on Dayanidhi Maran’s home telephone exchange in every respect — except one. And that is, the figure of loss of Rs 440 crores in the article was estimated for the 323 stolen ISDN connections on the basis of the extent of use of phone no 24371515, given in the CBI report. So, the outburst of Maran against The New Indian Express group is amusing at best, and ridiculous at worst.

Why? One, he cannot deny that the CBI, which has reported on his wrong doings, is his own government’s agency. Two, the inquiry was instituted by the CBI acting suo motu; therefore it was no



political hand moving against Maran in ‘wilderness’. Three, he has to answer his government’s CBI’s report instead of faulting The New Indian Express which did nothing other than making it public.

Maran’s claim to innocence rests on a letter (dated 6.4.2009) issued by V Meenalochiny, General Manager (OP) Chennai Telephones. This was in response to Maran’s letter sent couple of days before. The substance of the BSNL letter is this: One, “only one BSNL connection was provided” at his Boat Club residence to Maran when he was the Telecom Minister; two, that “only phone allotted was 24371500 ISDN-BRA” and “no other BSNL connection was provided” at Maran’s home till date; three, as an MP, Maran was allowed 4,50,000 call units on that number for three years but he had used just 1/3 of it. So far from pilfering billions of calls, Maran has not even used his quota of calls as an MP. Brandishing Meenalochiny’s letter, Maran asserted that TNIE story that 323 BSNL lines were installed in his home is false. Examine this claim now.

The CBI report gives the specific numbers of the 323 BSNL ISDN lines installed in Maran’s Boat Club home. But, Meenalochiny’s letter says only one line – bearing 24371500 – and no other, was installed in his home. If

***Sibal is sitting on the CBI report since then. And Maran, as Textile Minister, is sitting in cabinet meetings along with Sibal.***

what she says is untrue, Maran’s defence collapses. Here is the evidence that clinches that Meenalochiny’s letter is incorrect.

Go to Chennai Telephones directory inquiry search at <http://210.212.240.244:8181/CIPDQ.aspx>. And type ‘Dayanidhi Maran MP’ in the name column and click. You will get this: Telephone No: 24371515; DAYANIDHI MARAN MP; 3/1, BOAT CLUB 1ST AVENUE, RA PURAM, CHENNAI, 600028. Note the number that appears. It is 24371515. But Meenalochiny mentions only 24371500 — not 24371515 - in Maran’s home. Now go to the same web page. Fill the name as ‘CGM Chennai Telephones’ with the Boat Club address of Maran. You will get this: Telephone No: 24371500; CGM CHENNAI TELEPHONES RES OF 3/1, BOAT CLUB 1ST AVENUE, RA PURAM, CHENNAI. 600028.

So, it is incorrect to say that only one BSNL line was installed in Maran’s home. The BSNL line,

24371500, is in Maran's home, but in the name of CGM Chennai Telephones. The other line installed in Maran's home and name even today is 24371515. This destroys Meenalochiny's claim that only 24371500 is installed in Maran's home.

More. The number 24371515 is no ordinary number. The CBI talks about the criticality of this number thus: "As a sample study it is learnt that 48,72,027 units of calls have emanated from one telephone No 24371515 in the month of March, 2007 alone, which is indicative of massive multi-media transfer in the underlying connections." Even granting she was under pressure to respond within 48 hrs, Meenalochiny could not have missed this No 24371515, because, first, out of the 323 lines, this number has been tracked by the CBI for its use and, next, it appears on the Chennai Telephones website even today. Why was this omitted then? Because mentioning this number means admitting the CBI case.

And more. The CBI has unearthed the fact that with '2437' as the common first four digits a mini-home telephone exchange with 323 lines was created at Maran's home and that, by a secret underground

***The evidence now  
obtained from  
BSNL has turned  
out to be a  
devastating one  
against him.***



cable, they were linked to SUN TV. In the entire Chennai Telephones only 323 lines have '2437' as the common first four digits. If Meenalochiny is correct, there was, even now there is, only one line in the whole Chennai Telephones circle which starts with '2437'! Why such an exclusive number without any companion numbers for Maran only? Only she can explain the deficits in her letter; or Maran who relies on her letter to prove his honesty. Meenalochiny is now not GM (OP), but she is still in Chennai Telephones only. All attempts to reach her, as advised by Maran, by SMS & calls proved futile.

More. The CBI report says that there are 23 lines with '2437' as the first four digits with the following numbers, namely, 2211 to 2213 (3 lines); 2222; 2233; 2244 to 2246 (3 lines); 2255 to 2257 (3 lines); 2266 to 2268 (3 lines); 2277 to 2279 (3 lines); 2288 to 2290 (3 lines); 2290; 2299; 2300; 2301; it also says that there are 300 lines with the same '2437' as the first four digits followed by the next four digits starting with 1500 and ending with 1799, for the 300 lines. Obviously the CBI has not fabricated these numbers. They existed. But where are they now? Why did

Maran forget the No 24371515, which is listed in Maran's name as MP in his Boat Club home, which, in March 2007 alone, clocked over 48 lakh call units? Is it because not he, but, as the CBI says, SUN TV used it? Is Maran listening?

Now Maran is welcome to file his suit against TNIE. But, there is a lesson for those in Maran's position. It is better to be silent than tell lies to confront truth.

### **Now will you accept it as wrong, Mr Maran?**

'I had only one BSNL line – 24371500 – and no other in my name or home at 3/1 Boat Club Avenue. The New Indian Express story of 323 lines is false. Why didn't they get the facts from BSNL?' yelled Dayanidhi Maran on June 2, 2011. The New Indian Express nailed his lie in less than 36 hours. The BSNL website itself showed, not one, but two numbers at Maran's home – 24371500 in CGM BSNL's name and 24371515 in Maran's name. The BSNL letter of 6.4.2009, citing which Maran had lied that he had only one line – 24371500 – given to him as MP, proved to be worthless. The evidence now obtained from BSNL has turned out to be a devastating one against him. The new evidence irrefutably proves that Maran did have and operate, at government's cost, the secret home exchange of 323 lines. BSNL has admitted that it had to "suppress" this fraud, after he ceased to be minister. The evidence – Office Note of BSNL Chennai circle dated 21.6.2007 – nails all his lies.

Maran resigned as Telecom Minister on 13.5.2007. Two weeks

later, on 28.5.2007, a request was made to BSNL to convert the two numbers, 24371515 and 24371616 “working for the former Minister” Maran – to MP quota. It is this request that made the BSNL spill the beans on its file not only about the explosive truth of the 323-line home exchange, but also about its secret structure.

First, the BSNL Note says: “no information” was “available about these numbers” – 24371515, 24371616 – with Public Grievances Cell or computer cell. The officer had therefore, “to contact” Mambalam exchange “for details of these numbers”. Why were these numbers hidden from the Mambalam exchange? No answer. That these numbers were not with the computer cell or with Public Grievances cell gives clue to the fraud. It meant that they had been kept out of the exchange system itself; and they constituted a secret exchange with ‘2437’ as the common exchange code. How would the secret exchange work? Like this. If a subscriber in a BSNL exchange needs attention, he will dial ‘1191’ after dialling the exchange code. For the Maran home exchange, all calls for attention to 23471191 would get automatically diverted to 24311191. This was intended to keep the very existence of the exchange and the code ‘2437’ secret.

Second, the Note nails Maran finally as it confesses to the existence of his 300-line secret home exchange. “It is learnt”, it says, that the numbers “24371515 and 24371616” [which Maran had asked to be converted to MP quota] are “auxiliary numbers” of the “main number 24371500 with 300 extensions”.

The Note adds that this main



line [24371500]” is working in 3/1 Boat Club Road...in the name of CGM Chennai Telephones”. The Note shows that the fraud had continued for more than five weeks after he resigned. The Note confirms four crucial facts.

One, the main line 24371500 constitutes, and conceals within it, the 300-line illegal exchange that included 24371515 and 24371616; two, the fraudulent exchange was in the name of CGM Chennai Telephones, not in Maran’s name; and three, the illegal exchange was operating till 21.6.2007; and four, the charges for this exchange were borne by the government – the words “under the DTISD [Dept] category” in the Note implicitly admits this fact. The Note makes two further devastating admissions that again prove the theft of the 323 line home exchange by Maran.

First, it says, “for effecting the conversion of the above numbers” from free of cost lines into chargeable MP quota lines as requested, the main line “24371500 has to be suppressed” and “24371515 and 24371616 have to be created as ordinary numbers with STD facility and MP category”. Why sup-

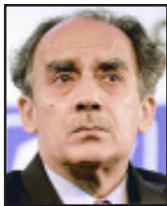
press 24371500? Simple.

The existence of 24371500 would expose that it was the main line with 300 auxiliary connections continuously numbered from 24371500 to 24371799. So it had to be suppressed, and was. Second, the Note confirms the existence of further 23 lines at Maran’s home. The further lines are known in technical terms as BRA lines. The Note says, “there are 7 BRA lines” and “2 ordinary numbers” “working in the name of CGM Chennai Telephones at Boat Club Chennai”. Each BRA line consists of three lines that simultaneously transmit voice, document and video; so, the seven BRA lines actually mean 21 lines.

Aggregating these 21, the two ordinary lines and the 300 lines represented by the main line 24371500, the total number of ISDN lines smuggled into the home exchange of Maran was 323.

This is precisely what the CBI had exposed in its report. The New Indian Express had made it public that Maran has stolen a whole exchange of 323 lines. The BSNL Note now provides the final, nailing proof of Maran’s guilt. Will he accept his wrong doing at least now? □□

## Annexation through technicalities



**Arun Shourie** explains, how a Government Trust, which had received over Rs. 134 crores of the tax-payers' money and twenty three acres of invaluable land was, by a simple collusive exchange of a letter each between Sonia Gandhi and one of her gilded attendants became property within her total control.

The day I entered Indiraji's household I became an Indian, the rest is just technical — that is Sonia Gandhi's latest explanation for not having acquired Indian citizenship till fourteen years after her marriage to Rajiv Gandhi.

First the facts. Surya Prakash, the Consulting Editor of *The Pioneer*, has documented these in detail. Sonia married Rajiv on 25 February, 1968. Under section 5(c) of the Indian Citizenship Act she became eligible to register herself as a citizen of India on 25 February, 1973. She chose to continue as a citizen of Italy. She applied for Indian citizenship only ten years later, on 7 April, 1983.

A foreigner seeking Indian citizenship has to state on oath that

he or she has relinquished his or her citizenship of the original country. This requirement was all the more necessary in the case of an Italian citizen: under Italian law, an Italian taking citizenship of another country continues to retain his or her Italian citizenship. Sonia Gandhi's application did not have the requisite statement, nor did it have any official document from the appropriate authorities in Italy. The omission was made up in a curious way: the Ambassador of Italy stepped in, and wrote to the Government saying that Sonia Gandhi had indeed given up her citizenship of Italy. He did so on 27 April, 1983. Sonia got her citizenship forthwith — on 30 April, 1983.

Another nugget Surya Prakash has unearthed is that while Sonia became a citizen on 30 April, 1983, her name made its way to the electoral rolls as of 1 January, 1980! In response to an objection, it had to be deleted in late 1982. But sure enough, it was put back on the electoral roll as of 1 January, 1983. She hadn't even applied for citizenship till then.

All technicalities! If any ordinary person were to proceed in the same way, he would be up for stern prosecution.

Maruti was one of the most odious scandals connected with Mrs Indira Gandhi and her family. The Commission of Inquiry headed by Justice A C Gupta recorded that, though she was at the time a foreigner, Sonia Gandhi secured shares in two of their family concerns: Maruti Technical Services Pvt. Ltd. (in 1970 and again in 1974), and Maruti Heavy Vehicles (in 1974). The acquisition of these shares was in contravention of the very Act that Mrs Gandhi used to such diabolic effect in persecuting her political opponents, the Foreign Exchange Regulation Act, 1973. Just another technicality!

But the Mother of Technicalities, so to say, is to be found in the way Sonia Gandhi, without having any known sources of income, has become the controller



of one of the largest empires of property and patronage in Delhi. The Jawaharlal Nehru Memorial Library and Museum is one of the principal institutions for research on contemporary Indian history. It is situated in and controls real estate which, because of its historical importance, cannot even be valued. The institution runs entirely on grants from the Gov-



ernment of India. Sonia Gandhi has absolutely no qualification that could by any stretch of imagination entitle her to head the institution: has she secured even an elementary university degree, to say nothing of having done anything that would even suggest some specialization in subjects which the institution has been set up to study. But by mysterious technicalities she is today the head of this institution. So much so that she even decides which scholar may have access to papers — even official papers — of Pandit Nehru and others of that family, including, if I may stretch the term, Lady Mountbatten.

Real estate, only slightly less valuable, has been acquired on Raisina Road. The land was meant to house offices of the Congress. A large, ultra-modern building was built — the finance being provided by another bunch of technical devices which remain a mystery. The building had but to get completed, and Sonia appropriated it for the other Foundation she completely controls — the Rajiv Gandhi Foundation. The Congress(I) did not just oblige by keeping silent about the

takeover of its building, in the very first budget its Government presented upon returning to power, it provided Rs 100 crores to this Foundation. The furore that give-away caused was so great that the largesse had to be canceled. No problem. Business house after business house, even public sector enterprises incurring huge losses, coughed up crores.

The Foundation has performed two principal functions. The projection of Sonia Gandhi. And enticing an array of leaders, intellectuals, journalists etc. into nets of patronage and pelf.

But the audacity with which the land and building were usurped and funds raised for this Foundation falls into the second order of smalls when they are set alongside what has been done in

***Sonia Gandhi has absolutely no qualification that could by any stretch of imagination entitle her to head the institution.***

regard to the Indira Gandhi National Centre for Arts.

This Centre was set up as a trust in 1987 by a resolution of the Cabinet. The Government of India gave Rs. 50 crores out of the Consolidated Fund of India as a corpus fund to this Centre. It transferred 23 acres of land along what is surely one of the costliest sites in the world — Central Vista, the stretch

that runs between Rashtrapati Bhavan and India Gate — to this Trust. Furthermore, it granted another Rs. 84 crores for the Trust to construct its building.

The land was government land. The funds were government funds. Accordingly, care was taken to ensure that the Trust would remain under the overall control of the Government of India. Therefore, the Deed of the Trust provided, inter alia,

- Every ten years two-thirds of the trustees would retire. One half of the vacancies caused would be filled by the Government. One half would be filled by nominations made by the retiring trustees.
- The Member Secretary of the Trust would be nominated by the Government on such terms and conditions as the Government may decide.
- The President of India would appoint a committee from time to time to review the working of the Trust, and the recommendations of the committee would be binding on the Trust.
- No changes would be made in the deed of the Trust except

***A government trust which had received Rs. 134 crores of tax payers money & 23 acres of invaluable land became property within her control.***

by prior written sanction of the Government, and even then the changes may be adopted only by three-quarters of the Trustees agreeing to them at a meeting specially convened for the purpose.

Now, just see what technical wonders were performed one fine afternoon.

A meeting like any other meeting of the trustees was convened on 18 May, 1995. The minutes of this meeting which I have before me list all the subjects which were discussed — the minutes were circulated officially by Dr Kapila Vatsyayan in her capacity as the Director of the Centre with the observation, “The Minutes of this meeting have been approved by Smt Sonia Gandhi, President of the IGNCA Trust.”

What did the assembled personages discuss and approve? Even if the topics seem mundane, do read them carefully — for they contain a vital clue, the Sherlock Holmes clue so to say, about what did not happen.

The minutes report that the following subjects were discussed:

- 1 Indira Gandhi Memorial Fellowship

- Scheme and the Research Grant Scheme.
- 2 Commemoration volume in the memory of Stella Kramrisch.
- 3 Sale of publications of the IGNCA.
- 4 Manuscripts on music and dance belonging to the former ruling house of Raigarh in MP
- 5 Report on the 10th and 11th meetings of the Executive Committee.
- 6 Approval and adoption of the Annual Report and Annual Accounts, 1993-94.
- 7 Bilateral and multilateral programmes of IGNCA, and aid from UN agencies, Ford Foundation, Japan Foundation, etc.
- 8 Brief report on implementation of programmes from April 1994 to March 1995.
- 9 Brief of initiatives taken by IGNCA to strengthen dialogue between Indian and Vietnam, Thailand, Indonesia, China.
- 10 Documentation of cultural heritage of Indo-Christian, Indo-Islamic and Indo-Zoroastrian communities.
- 11 Gita Govinda project.
- 12 IGNCA newsletter.
- 13 Annual Action Plan, 1995-96.
- 14 Calendar of events. 15: Publi-

- cations of IGNCA.
- 15 Matters relating to building project.
- 16 Allocations/release of funds for the IGNCA building project.

There is not one word in the minutes that the deed of the Trust was even mentioned.

This meeting took place on 18 May, 1995. On 30 May, 1995 Sonia Gandhi performed one of technical miracles. She wrote a letter to the Minister of Human Resources informing him of what she said were alterations in the Trust Deed which the trustees had unanimously approved. Pronto, the Minister wrote back, on 2 June, 1995: “I have great pleasure in communicating to you the Government of India’s approval to the alterations.”

The Minister? The ever-helpful, Madhav Rao Scindia. And wonder of wonders, in his other capacity he had attended the meeting on 18 May as a trustee of the IGNCA, the meeting which had not, according to the minutes approved by Sonia Gandhi, even discussed, far less “unanimously approved” changes in the Trust Deed.

And what were the changes that Sonia Gandhi managed to get through by this collusive exchange of two letters?

- She became President for life.
- The other trustees — two-thirds of whom were to retire every ten years — became trustees for life. The power of the Government to fill half the vacancies was snuffed out.
- The power of



the Government to appoint the Member Secretary of the Trust was snuffed out; henceforth the Trust would appoint its own Member Secretary.

- The power of the President of India to appoint a committee to periodically review the functioning of the Trust was snuffed out; neither he nor Government would have any power to inquire into the working of the Trust.

A Government Trust, a Trust which had received over Rs. 134 crores of the tax-payers' money, a Trust which had received twenty three acres of invaluable land was, by a simple collusive exchange of a letter each between Sonia Gandhi and one of her gilded attendants became property within her total control.

The usurpation was an absolute fraud. The Trust Deed itself provided that no amendment to it could come into force — on any reasonable reading could not even be initiated and adopted — without prior written permission of the Government. Far from any permission being taken, even information to the effect that changes were being contemplated was not sent to Government. An ex post “approval” was obtained from an obliging trustee.

That “approval” was in itself wholly without warrant. Such sanctions are governed by Rule 4 of the Government of India (Transaction of Business) Rules, 1961. This Rule prescribes that when a subject concerns more than one department, “no order be issued until all such departments have concurred, or failing such concurrence, a decision thereon has been taken by or



under the authority of the Cabinet.” Other departments were manifestly concerned, concurrence from them was not even sought. The Cabinet was never apprised.

The rule proceeds to provide, “Unless the case is fully covered by powers to sanction expenditure or to appropriate or re-appropriate funds, conferred by any general or special orders made by the Ministry of Finance, no department shall, without the previous concurrence of the Ministry of Finance, issue any orders which may... (b) involve any grant of land or assignment of revenue or concession, grant... (d) otherwise have a financial bearing whether involving expenditure or not...”

And yet, just as concurrence of other departments had been dispensed with, no approval was taken from the Finance Ministry.

The Indian Express and other papers published details about

the fraud by which what was a Government Trust had been converted into a private fief. Two members of Parliament — Justice Ghuman Mal Lodha and Mr. E. Balanandan — began seeking details, and raising objections.

For a full two and a half years, governments — of the Congress (I), and the two that were kept alive by the Congress (I), those of Mr. Deve Gowda and of Mr. I. K. Gujral — made sure that full facts would not be disclosed to the MPs, and that the concerned file would keep shuttling between the Ministry of Human Resource Development and the Ministry of Law.

As a result, Sonia Gandhi continues to have complete control over governmental assets of incalculable value — through technicalities collusively arranged.

A latter-day Dalhousie — annexation of Indian principalities through technicalities! □□

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## CBI-Exemption from RTI



*The exemption given to the CBI is an extremely retrograde step; it is going backwards and is completely undesirable and redundant, says **Sh.B.R. Lall**, former CBI officer.*

CBI has been placed outside the ambit of Right to Information Act by an order of the Union Government under section 24. This is a very unfortunate step. Incidentally bonafide protection in the field of Investigation already exists under section 8 (h) of the said Act that provides. “(May kindly refer to the concerned section)... there shall be no obligation to give any citizen information which would impede the process of investigation or apprehension or prosecution of offenders...” That applies not only to CBI or other central investigating agencies, but also to similar agencies of all the state governments as well. Ostensibly the move is designed from security and intel-

ligence angles. It must be made clear in no uncertain terms that the CBI is neither an intelligence nor a security organisation. It is an investigative agency assigned legally the job of exposing rather than concealing. By the very nature of its work the CBI has to be an open organisation notwithstanding the sensitive cases that it may be dealing with. The sensitivity in context of CBI is when it deals with cases against high and mighty “...in the investigations of which one was expected to conceal more and expose less...” It is this requirement on ground as against the legal or operational requirement of the CBI that such secrecy is needed. Functionally as against an intelligence organisation that requires total protection from

transparency, the investigation requires complete transparency after a certain stage. It is only the premature disclosure of information, during the investigation, that will give undue advantage to the accused who may cover his tracks, destroy the evidence and scuttle the investigation. But once the charge sheet has been filed there is no requirement for any further protection. Incidentally all the evidence to be relied upon is communicated to the accused person so that he may prepare his defence. Once it is filed in the court of law, the chargesheet becomes a public document. Some of the information collected during investigations and contained in the case diaries of the agencies may not be shown in the charge sheet as that may be related to the security of the witness or of the accused and therefore not advisable to be brought in the public domain. Such information and documents, on which the prosecution does not rely, are already protected under the Criminal Procedure Code and the Evidence Act. However, to meet with ends of justice and to ensure that nothing is held back, the court trying the case has a right to look into all these documents and to use them as per its discretion.

The prevalent laws are adequate. Further secrecy, particularly for the CBI in Corruption cases is



designed only to protect the people in high places. As such there is no necessity for any further privilege for any investigating agency in the country under the Right to Information Act. As a former CBI officer having fought the corrupt system from inside the government I concluded that the CBI under the control of the government has to conceal more than to reveal against its lawful role of collection of facts truthfully and impartially without any fear or favour.

The exemption given to the CBI is an extremely retrograde step; it is going backwards and is completely undesirable and redundant. This will only encourage criminality and corruption in the government and may not leave even the CBI itself untouched as more you keep things under wraps, the more liable the process is likely to be misused by all possible. This will only create another class of privileged people who would be beyond the operation of laws. Coming to the experience of other countries, such kind of protection has never been given to any agency in those countries that can boast of the Rule of Law or upholding of Human Rights. The question arises whether we are going back to the uncivilized days? Are we going to negate the rule of law that our constitution enshrines?

However, in India, such steps by the governments to protect the high and mighty have been a common affair. I am tempted to cite two instances. First, the single directive that was issued in eighties to protect against any enquiry or investigations the officers and politicians beyond the rank of Joint Secretary. The same was quashed



by the Supreme Court as discriminatory and illegal in the famous Jain Hawala case (also referred to as Vineet Narain case) in December 1997. Lo and behold in 1998 itself it was placed back on statute through the ordinance route and later enacted into the CVC Act in 2003. The other instance is that investigation abroad was to be conducted against a very highly placed accused. That required the Letter Rogatory from the Indian Court to the court of the country where the investigations were intended to be conducted. Under section 166 Criminal Procedure Code any officer in charge of a police station can apply for such a letter. In 1993 a VVIP was to be protected, so the government modified the procedures by an executive order that CBI should apply to the court for the LR, only after obtaining permission from the government, thereby the possibilities of investigation abroad against any influential person were virtually closed, as it could deny and did deny such permission indefinitely. Requests were made to government in this case for issue of LR in May 1993, but the Government of India did not permit till December 1996, the

***CBI under the control of the government has to conceal more than to reveal against its lawful role.***

time I left the CBI.

So there could be no investigations abroad, though the VVIP was accused of receiving kickbacks, keeping huge balances in banks abroad and acquiring a number of firms, in India and abroad. So much so, that power to apply for letter rogatory, vested in the SHO under the Code of Criminal Procedure, was withdrawn from the CBI and concentrated in Government of India and that too in the PMO (as was informally learnt), leaving nothing to chance. Though the papers were pending with Union Government for years, but still this fact could not be made public by the CBI, as that would amount to censure of the Government, which the CBI under the control of the government itself could not afford. □□

Watch Sh. Lal speaking on youtube @ <http://www.youtube.com/watch?v=oEN9enRQ6j4>



## Rashtriya Vichar Varga Haridwar

June 24-26, 2011

Rashtriya Vichar Varga of North Zone Swadeshi Jagaran Manch was held in Narayani Niwas Kankhal near Haridwar from June 24-26, 2011. Over 130 Swadeshi Activists from 8 northern states participated. Dr. Mahesh Chandra Sharma, former Member of the Parliament inaugurated the varga. Several issue of national importance were discussed in different sessions during the three day event.

In his inaugural speech Dr. Mahesh ji spoke about integral Humanism propounded by Pt. Deendayal ji. He stressed to reinvent Gandhi ji & Deendayal ji to find solutions for the present crisis ridden global economy.

Sh. Arun Ojha, National convener of Swadeshi Jararan Manch delivered the valedictory speech. Reminding participants about the glorious past of India, he appealed

for a renewed effort to transform India into a developed nation. He cautioned the country against now defunct WTO & increasing glamour for Free Trade Agreements. Former Deputy Home Minister, Union of India, Swami Chinmayananda also spoke in the concluding session. Referring to increasing discontent among the people of India particularly in tribal and rural area's, he stressed the need to further strengthen & expand SJM.

Sh. Shivprakash ji, Kshetriya Pracharak Rashtriya Swyamsevak Sangh, Uttar Pradesh in his intellectually excellent exposition explained the difference between organization led mass movements and individual lead movements. Individual lead movements are short lived while those who take entire society along are always fruitful. Other learned speakers who addressed different sessions include: Sh. Muralidhar Rao, former National Convener of SJM, Sh. Sunil Ambedkar, Organ-



ising Secretary, ABVP, Sh. Kashmiral ji, National Sanghatak SJM, Sh. Shyamlal Yadav, Journalist, Sh. B.C. Khanduri, former Chief Minister

Uttrakhand, Prof. Bhagwati Prakash Sharma, Dr. Kuldeep Ratanoo & Several Saints like youngest Maha Mandleshwar Swami

Rameshwaranand, Swami Vignanand ji Maharaj & Mahamandleshwar Swami Asanganand ji also addressed the Participants. □

## SJM mobilises people against FDI in Retail Trade

Govt of India is contemplating to permit 100% FDI in Multi-Brand Retail Trade in selected cities all over India. Presently 100% FDI is permitted in whole sale cash and carry Trade and Single Brand Retail. There are about 4 Crore small traders popularly known as “mom and pop stores” in India and another 6 crore people are indirectly engaged in supporting activities. The sector contributes about 15% to GDP and is a major source of Self-employment Avenue. The entry of MNC's and big corporate will throw 80% of this 10 crore people out of their occupation and destroy their livelihood. Throughout the world unemployment is a major challenge and the country has a vibrant entrepreneurial class in retail. The sector supports itself even without much financial assistance from banks. It is a cost effective and sustainable business model persisting in the country for hundreds of years. On the contrary big corporates that have entered the sector has so far been incurring only losses. The claim that the entry of MNCs and big corporates will benefit India is baseless. Allowing FDI in this one of the most important sectors of our economy is neither in the interest of producers nor consumers.

Keeping in view the adverse

effects of such a sensitive issue and urgency shown by the UPA government to take a hasty decision on such a controversial matter Swadeshi Jagaran Manch took the matter to the people. A massive public contact programme is underway throughout the country. Under this public contact campaign an impressive yatra was conducted in Tamil Nadu.

The Yatra began at 22nd May in Nagercoil and ended up with the valedictory address by Sri S. Gurumurthy on May 28th at Madurai. Seven Districts were covered during this yatra. While a team of 7 SJM activists under the leadership of Shree R. Sundaram, Zonal convenor were with the yatra all the time there was total involvement from local karyakathas and the response of the people was unbelievable. More than 30 town panchayats, 6 Municipalities and One corporation were covered. Shree R. Srinivasan, Rama, Shree Nambinayanan also took part. 7 Hall meetings held. One Lakh pamphlets distributed. H. Raja, S. Muralidharan, Prof kanakasabapathy, S. Gurumurthy were chief speakers.

The Tamil Nadu Swadeshi Jagaran Manch is determined to stop this loot and the onslaught. So SJM TN had undertaken an

yatra in Southern districts of Tamil Nadu to make the people and traders aware of the danger. The Yatra was enthusiastically welcomed by the public and the traders. Almost in all the towns Traders Association actively took part in the yatra. The press coverage was nice. The Police dept also deserved appreciation for their co-operation. Eminent thinkers also feel that only local business are the sources of neighbourhood philanthropy and that will suffer if FDI is allowed in retail. The 90th report of Parliament Standing Committee on Commerce chaired by Shri Murli Manohar Joshi also recommended not to allow Foreign as well as domestic investment in the unorganized retail sector in India. The committee has commended Indian retail as the retail democracy and is appropriate model for Indian Situation.

Similar yatra's and a signature campaign is going on every where in the country. Swadeshi activists are contacting retail traders in every state and asking them to jointly resist this most dangerous move of the UPA government. The response is overwhelming. Retailers are in fact now contacting SJM and taking the literature from them and returning the forms after duly signed by the affected people in their area. □□

## Diesel, kerosene, LPG prices hiked

**Government** hiked the price of diesel by Rs 3 a litre, kerosene Rs 2 a litre and cooking gas by Rs 50 a cylinder to raise Rs 21,000 crores, and slashed customs and excise duties on petroleum products, sacrificing Rs 49,000 crore a year. The hike saw the government coming under fire from ally Trinamool Congress and political rivals BJP and Left parties which decided to hit the streets on the issue while AIADMK demanded an immediate rollback of the increase. Describing the hike

in diesel and LPG prices as an “inhuman step”, BJP spokesperson Nirmala Sitharaman said “the increase will also affect India’s growth story” the party would hold protest demonstrations on Saturday across the country. Tamil Nadu Chief Minister Jayalalithaa described as “unacceptable” fuel price hike and demanded its immediate rollback. This will severely affect the poor people as they are the main consumers of kerosene” Jayalalithaa said in a statement in Chennai. □

### EPFO to protect contract workers

The Employees Provident Fund Organisation’s central board of trustees, the apex decision-making authority has approved major changes to the law governing statutory savings which would arm it with powers to ensure that even government contractors are brought under the PF umbrella. The step is aimed at ensuring that contract workers in government organizations are also brought under the social security net. This comes at a time when government organizations are increasingly relying on outsourced staff, especially at the class IV level.

In a separate proposal, though the trustees did not factor in the frequent demands for raising the Rs 6,500 mandatory limit for EPFO, they said that a provision be made to ensure that the salary on which the contribution is made is not lower than the stipulated minimum wage in the state. The move is aimed at protecting the interests of casual labour as often contractors and employers do not even pay the specified minimum wage.

“The Act also has provisions so that as and when the mandatory limit is revised, we can just issue a notification. There would not be any need to go to Parliament,” labour secretary PC Chaturvedi said.

### Adarsh scam: Maps go missing

Maps and certain survey sheets from 1872-1960, related to Adarsh land and surrounding Colaba areas have gone missing from the land records office in the city, the two-member Commission, probing the housing society scam was told here.

Sanjay Dikhle, Superintendent of City Survey and Land Records, in a cross examination on Thursday by senior advocate Dipan Merchant, representing the inquiry panel, informed that historical maps

of 1847 (the first time when Mumbai was mapped scientifically) and 1882 were “not available” in his office. The maps of 1847 or 1882 could have shown whether the Adarsh plot existed at the time.

Also, “certain survey sheets from 1872-1960 pertaining to the Adarsh land and surrounding areas in Colaba are missing,” Mr. Dikhle said. However, survey maps of 1872 were available, he said.

This is the fourth instance of key files related to Adarsh high-rise going missing. First, from the urban development department, subsequently from the Ministry of Environment and Forests and then from the Army headquarters here.

### EU’s demand of duty-free wheat import

To protect farmers’ interests, India has made it clear to EU that duty-free imports of wheat, barley, lemons, apples, pears and meslin flour will not be allowed under the proposed free trade agreement (FTA).

“The EU has asked for duty elimination on wheat, barely, apple, pear, lemon and meslin flour. We have clearly explained to them that India cannot offer concessions on any of these products,” a senior Agriculture Ministry official was reported to have said.

At present, there is 100% import duty on wheat and meslin flour, 50% on apples, 40% on lemon and lime and 35% on pears. “The elimination of import duty on commodities requested by the EU are sensitive to Indian economy and is likely to affect domestic farmers and prices,” the official said.

Indian farmers producing apple, pear, lemon and lime will be exposed to risks with the entry of imported fruits from the European Union (EU) as the post-harvest technology in the country is not fully developed, the official added.

India is an important trade partner for the EU

## Singur land issue: HC rejects Tatas' plea

**The** Calcutta High Court has refused to pass an interim order restraining the West Bengal government from distributing to farmers in Singur the land acquired earlier to set up Tata's car manufacturing unit.

On Tata Motor's plea that an interim injunction be passed to restrain distribution of the land Justice Saumitra Pal said in that case the company's original petition challenging the Singur Land Rehabilitation and Development Act, 2011 would become infructuous.

Justice Pal observed that since the court found from the petition that no specific state-

ment has been made that land distribution would start on Tuesday, no interim order was being passed.

Tata Motor's counsel Samaraditya Pal moved an ex—parte petition seeking stay on distribution of land expressing apprehension that it would be distributed within a day or two.

Appearing for the West Bengal Industrial Development Corporation, senior counsel Saktinath Mukherjee opposed the prayer claiming that it could not be done when the opposite party was present in the court and copies would have to be served to them. □

and is a growing global economic power. The EU and India hope to increase their trade in both goods and services through the proposed Free Trade Agreement (FTA). The sides launched the negotiations for FTA in 2007 and are on track for signing the agreement. Barring wheat flour, India does not import wheat as the country's production is in line with demand. It is estimated to harvest a bumper crop of 84.27 million tonnes in 2010-11.

In the wake of higher domestic wheat production, imported grain from the EU at zero duty is likely to disturb the domestic wheat market, said a Delhi-based industry body. India has banned export of wheat since early 2007 to bolster domestic supplies and contain food inflation.

### Anti-dumping probe in India down

India initiated less number of anti-dumping probes against imports between October, 2010 and April 2011, according to a joint report of the multilateral agencies. India launched 15 anti-dumping investigations during this period as against 20 in the same months (October 2009 to April 2010) of earlier period, the report of the World Trade Organisation, OECD and UNCTAD said.

The other major developed and developing economies also showed a similar pattern for these investigations. The trend is contrary to the apprehension that the difficult global economic environment would force nations to protect more aggressively their markets against imports.

According to official data, India's anti-dumping investigations mostly related to the chemical sector. The G-20 members in all initiated 78 anti-dumping

investigations compared to 83 cases during the period under review.

Countries initiate anti-dumping probes to check if domestic industry has been hurt because of a surge in cheap imports. As a counter-measure, they impose duties under the multilateral WTO regime.

The G20 member countries also reported a decline in the number of countervailing duty investigations initiated. The total number of initiations of countervailing duty investigations by these nations dropped to seven from 11 during the period under review.

### Now, 'made in China' doctors in India

Twenty eight Chinese universities are promoting their MBBS degrees and are top picks for Indians. Dali University - one of the top universities in China is busy promoting their MBBS course - the top pick of several aspiring Indian students. It's the money which makes Chinese universities the new Mecca for Indian MBBS students.

The average tuition fees range only between Rs 1 Lakh to Rs 2 Lakh per year. Just Rs 70,000 more is needed to cover boarding and lodging expenses. In India, the same course usually cost four times more at the very least.

Every year, thousands of Indian students come to China in such universities to study medicine since early 2000, this knowing fully well that till recently, their MBBS degrees were not accepted back home. The Medical Council of India conducts a screening test for 'made in China' Indian doctors before they are allowed to practice. But Chinese University heads say that is not their problem. □□

## Australia may export uranium to India

In a bid to strengthen bilateral ties, Australian government could review and lift the long standing ban on uranium export to India later this year, a media report said. "Later this year, the (Julia) Gillard Government is likely to take two very big decisions affecting relations with the US and India. It will provide much greater access for US military forces to northern Australia. This could ultimately lead to US ships being based in Australia.

"And it will likely lift the ban on selling Australian uranium to India. Both decisions should

be seen against the backdrop of China," The Australian said.

Expert on foreign affairs Greg Sheridan in the article said: "I now believe senior ministers within the Gillard govt. will make a serious attempt to change this policy at Labor Party's national conference in December." The report cited that all big nuclear nations were now offering nuclear trade with India & the US had signed a civil nuclear cooperation agreement with India and secured support for this from Nuclear suppliers group. □

## EU announces agreement with Greece

The European Union announced agreement between Greece, the EU and the IMF on the final details of 28 billion euros worth of savings that Athens needs to implement over the next five years.

"The European Commission, the International Monetary Fund and the European Central Bank (the troika) and the Greek authorities have reached a satisfactory agreement on a set of measures to close the fiscal gap for the years 2011-2014," said a commission statement. The commission said the deal among international backers on the ground in Athens now has to be "translated into concrete legislative measures." That also goes for a related plan to raise tens of billions of euros from selling off state holdings.

## IMF warns crisis

The International Monetary Fund cut its forecast for US economic growth and warned Washington and debt-ridden European countries that they are "playing with fire" unless they take immediate steps to reduce their budget deficits.

The IMF, in its regular assessment of global economic prospects, said bigger threats to growth had emerged since its previous report in April, citing the eurozone debt crisis and signs of overheating in emerging market economies. The Washington-based global lender forecast that US GDP would grow a tepid 2.5% this year and 2.7% in 2012. In its forecast just two months ago, it had expected 2.8% and 2.9% growth, respectively.

IMF projected the Indian economy will expand by 8.2% in 2011, unchanged from its growth forecast made in April. However, this is much lower than 10.4% growth witnessed in 2010, it said.

Overall, the IMF slightly lowered its 2011 global growth forecast to 4.3%, down from 4.4% in April.

Its forecast for 2012 growth remained unchanged at 4.5%. The IMF said it was slightly more optimistic about the euro area's growth prospects this year, but a lack of political leadership in dealing with Europe's debt crisis and the wrangling over budget in the United States could create major financial volatility in coming months.

## China border row an emotive issue?

For the first time in Sino-Indian discourse, a Chinese foreign ministry advisor has acknowledged the existence of "emotional" content to the border row. This is highly significant because negotiators have long considered technical issues like the mapping of boundary line as the main obstacle to the resolution of the dispute.

"If sentiments are hurt, it will not help in settling this issue," said Ma Zhengang, member, Policy Advisory Group of the Ministry of Foreign Affairs. The statement poses fresh challenge for Indian negotiators as this is a rare instance of the Chinese establishment throwing up an emotive issue. Xu referred to what he considers an important sentence in the joint statement signed by prime ministers of the two countries in 2005. It says both sides should make meaningful adjustment based on Line of Actual Control.

"We have mapped out the general direction of the settlement of border issue," Xu said. He made no mention of another sentence in the joint statement which says there will be no changes in populated areas along the border, which would refer to the densely populated Tawang area in Arunachal Pradesh.

## Pakistanis see India as bigger threat

Most Pakistanis see India as a bigger threat than the Taliban and the al-Qaida and disapprove of the US military operation that killed Osama bin Laden, according to a new poll. Although al-Qaida leader

## Scrap biofuel support to curb food costs

**Governments** should scrap policies to support biofuels because they are forcing up global food prices, according to a report by 10 international agencies including the World Bank and World Trade Organization. The report adds to growing opposition to biofuels targets and subsidies such as those in Europe, Canada, India and the United States.

“If oil prices are high and a crop’s value in the energy market exceeds that in the food market, crops will be diverted to the production of biofuels, which will increase the price of food,” said the report.” Changes in the price of oil can be abrupt and may cause increased food price volatil-

ity,” said the report.

Prepared at the request of the Group of 20 major economies, the report addressed price volatility in food and agriculture, and its authors also included experts from the World Food Programme, International Monetary Fund, the UN’s Food and Agriculture Organisation, and the Organisation for Economic Cooperation and Development.

G20 agriculture ministers will meet in Paris on June 22-23 to discuss possible policy responses, ranging from increasing market transparency to limiting the speculative positions taken by traders in commodities markets. □

bin Laden has not been well-liked in recent years, a majority of Pakistanis describe his death as a bad thing. Only 14 percent say it is a good thing, according to a poll released by the Pew Research Centre.

Moreover, many Pakistanis believe the US raid on bin Laden’s hideout, which was located about 35 miles from Islamabad, will have a negative impact on the already strained relations between the US & their country. The poll also indicates that concerns among Pakistanis about an extremist takeover & support for using military force against extremist groups are slipping, but the groups themselves remain widely unpopular. When asked which is the biggest threat to their country, India, the Taliban, or al-Qaida, a majority of Pakistanis (57 percent) say India, the poll noted.

### ‘Super sand’ to purify water

An Indian-origin scientist led team has developed “super sand”, a cheap and novel material which they say could clean contaminated water much more effectively. The special sand which is coated with an oxide of graphite, commonly used as lead in pencils, could become a low-cost way to purify water in the developing world, the researchers said.

Access to clean drinking water is still limited in a number of countries in the world. And according to WHO, only 60 per cent of the population in Sub-Saharan Africa and 50 per cent in Oceania (islands in the tropical Pacific Ocean) use improved sources of drinking-water.”

The graphite-coated sand grains might be a solution, especially as people have already used sand to purify water since ancient times. Professor Pulickel Ajayan, of Rice University, who led the study, said it was possible to modify the graphite oxide in order to

make it more selective and sensitive to certain pollutants, such as organic contaminants or specific metals in dirty water. But ordinary sand, filtering techniques can be tricky, said the researchers who detailed their study in the American Chemical Society journal Applied Materials and Interfaces.

### UK “Brain Drain”

More than one in four workers in the UK would move abroad for a better job, a survey suggests. Research group GfK said 27% of 1,000 UK employees questioned were willing to change country, possibly driven by a desire to escape the high cost of living and static wages in the country. And just under a quarter were looking to leave their employer within a year.

But other countries surveyed may be at a higher risk of a “brain drain”, with Latin America potentially hardest hit. The proportion of workers willing to move country was highest in Mexico (57%) and Colombia (52%), while Brazil and Peru also saw high numbers (41% and 38% respectively).

Even in the US and Canada - countries GfK describes as “traditionally stereotyped for their relative disinterest in living abroad” - a fifth of workers said they would leave to find a better job. In the UK, the chances of a brain drain appear higher among younger workers with 36% of those aged 18-29 willing to move. Among higher educated workers, 36% of those with degrees and 38% of those with postgraduate qualifications said they would consider leaving.

“Even if only a fraction of these people actually move abroad, UK businesses will face a significant loss of talent, just at the time they most need it,” said Sukhi Ghataore from GfK. The GfK survey questioned more than 30,000 working adults in 29 countries. □□

## Visa Fee Hike

India will issue yet another warning to the United States on the non-compatibility of the recent hike in professional visa fees & imposition of additional import taxes on government purchases with WTO, rules.

Commerce and industry minister Anand Sharma will take up the issue with US Trade Representative Ron Kirk. India had issued a non-paper or an informal communication to the US earlier this year stating that both the measures, that were part of the country's attempt to fund its enhanced border security plan and health programme for 9/11 victims, flouted multilateral trade norms of the WTO. The US, however, is yet to respond to the communication.

The US increased professional visa fees (H-1B and L-1 visa) by a minimum \$ 2,000 for all US-based companies that have more than half of their employees on such visas till 2015. It would mostly affect Indian IT firms, like Infosys and Wipro, and is expected to cost them \$200 million annually.

It also imposed an additional import duty of 2% on all government purchases from countries like India that are not part of the government procurement agreement (GPA) of the WTO. Only a handful of members are in the GPA including the EU, Japan, Switzerland, China, South Korea and Iceland.

## Higher exports of cigarettes seen

The favorable WTO decision on the cigarette excise tax case filed by the Philippines against Thailand is expected to pave the way for unhampered exports of locally-produced cigarettes to the fellow ASEAN country without the threat of discriminatory tax treatment.

The WTO Appellate Body in its decision upheld a WTO panel findings that "Thailand acts inconsistently" with the multilateral trading body's rules on excise tax treatment of imported cigarettes against its domestic produce. Philip Morris Philippines Manufacturing Inc. managing director and president Chris Nelson welcomed the final decision. "The decision augurs well for our business as this allows us to continue planning and working on exports because there is now clarity in doing our exports business," he said.

The tax dispute ran for over 5 years starting in Oct. 2006 although the filing of the case by the Philippine govt. before the WTO happened in later in 2008. Following its decision, the Appellate Body also recommends that the DSB request Thailand to bring its measures, found in this Report, and in the Panel Report as modified by this Report, to be inconsistent with the Agreement on Customs Valuation & the GATT 1994, into conformity with its obligations under those Agreements.

## Disclosure of origin of genetic resources

A large group of developing countries has submitted a proposal to amend the WTO's intellectual property agreement to require the disclosure of origin of genetic resources and/or associated traditional knowledge in patent applications. The WTO delegations of Brazil, China, Colombia, Ecuador, India, Indonesia, Kenya (on behalf of the African Group), Mauritius (on behalf of the African-Caribbean-Pacific Group), Peru, and Thailand circulated a communication (TN/C/W/59) entitled: "Draft Decision to Enhance Mutual Supportiveness between the TRIPS Agreement and the Convention on Biological Diversity" to the Trade Negotiations Committee as part of the ongoing Doha talks.

The draft decision proposes to add a new Article 29bis on "Disclosure of Origin of Genetic Resources and/or Associated Traditional Knowledge" in the WTO Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement.

Demands by developing countries to have patent and other IPR offices designated as mandatory check-points to monitor and expose potential biopiracy did not make it into the final Protocol text - the relevant provisions were not negotiated at the end and simply removed as part of a politically driven process under the leadership of Japan as the President of the 10th Meeting of the Conference of Parties to the Convention on Biological Diversity.

## Hopes fade for accord at Doha talks

The chances of salvaging even a minimal deal from the so-called "Doha round" of trade talks have receded yet further as the US, European Union and Brazil clashed over rules to restrain cotton subsidies and help the poorest countries. At a meeting of the World Trade Organisation in Geneva, Brazil rejected calls for a small agreement planned for December to expand to include agreements on liberalising industrial goods trade and for a "tariff standstill" to keep current import duties in place.

Although it did not give names, the Brazilian statement to the trade negotiations committee was clearly aimed at the US and EU. Washington, which faces fierce domestic opposition to reforming its own cotton subsidies, has argued that a stand-alone package must also contain cuts in tariffs on "environmental goods" such as solar and wind power equipment. The US, whose cotton subsidies have been declared illegal by the WTO, has argued that other countries, notably China, have refused to say what their own cotton subsidies are.

A growing number of WTO members are privately accepting that the round will never be completed in anything close to its current form despite paying lip service to the idea of a deal. □□