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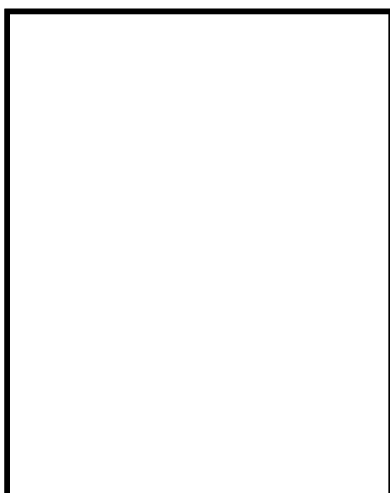
January 2014



Policy Change Needed

Says

Swadeshi Jagran Manch



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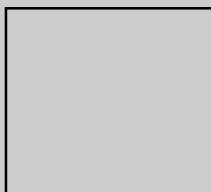
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Traditional systems of medicine

Traditional Indian system of medicine has for various reasons taken the back seat while health care concerns are entertained. India has a very long history of traditional medicine and Ayurvedic practices going back to the Atharva Veda era from which Patanjali drew his medical theories and practices. Yoga which is part of the Ayurvedic practice has become very popular throughout the world and yoga centres have been opened almost in every big city of Europe, China and Japan.

Ours is a traditional society and no society of this category wants to lose its rich heritage. Allopathic science has made incredible development essentially owing to the results obtained from deep and sustained researches in medical science. It would be highly advisable that similar painstaking researches are conducted in traditional medical system, herbal science and medical practices to find how these can be improved and upgraded.

– Joginder Singh, Chandigarh

Governance Challenge

Now that the Aam Aadmi Party has formed the Government in Delhi, it faces the challenge of delivering on the many tall promises it has made to the people. This will not be easy. The party was formed just over a year ago and has no experience in governance. Given that the AAP has been vocal in attacking all parties and accusing them of corruption, it now faces the litmus test. Can the AAP provide clean governance? Two of the promises the party was providing 700 litres of potable water free everyday and reducing power tariffs in Delhi. The electorate will keep a close watch on Mr Arvind Kejriwal and his party leaders to see if they can deliver on their promises without compromising on their principles.

But it has to be recognised that all political parties including the BJP has missed several opportunities to expose the Congress's misdeeds and misrule, allowing an impression to form that there is an unwritten quid pro quo arrangement between politicians from both parties. Success of the AAP though unexpected, has almost rewritten the political idiom and has forced other parties to introspect. This reflects the changing mood in the country.

– Jugal Kishore Sharma, Indore (M.P.)

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Quote-Unquote



In the past, the teachings of Shivaji were ignored and our country went into the hands of the East India Company. Had we followed him, we would have not suffered.

Pranab Mukherjee

President



Judgement on the 2002 violence culminated a process of unprecedented scrutiny closely monitored by the Supreme Court. I feel liberated & at peace.

Narendra Modi

Chief Minister, Gujarat



The idea of a party professing clean politics aligning with the most corrupt political party is ridiculous. It will collapse under its own contradictions.

Dr. Harsh Vardhan

Senior BJP Leader



Economic theories on gold developed in the West are inappropriate to India. India needs a home-grown theory. It calls for India-centric thinking.

S. Gurumurthy

National Co-convenor, Swadeshi Jagaran Manch

'Swadeshi' **The Agenda for Building a Developed India**

"Swadeshi is the only doctrine consistent with the law of humanity & love."

— (Mohandas Karamchand Gandhi)

The general elections are around the corner and several issues including the economy have risen to the top of the national poll agenda. Who will win the forthcoming polls is still undecided & open. Political organisations are busy in new formations with a hope to see them through. But one thing is crystal clear that this election is set to be different from the earlier ones in the sense that voter consciousness is at all time high in the aftermath of non-violent anti corruption movements led by Anna Hazare. People are actively participating in the debates on almost every issue confronting the country and are ready to come on streets to demonstrate their involvement. India is supposed to be an emerging Super Power. All of us, the government included, like to proclaim that India is proud of its economic progress since independence. We also pompously pronounce ourselves as the largest democracy of the world. We, no doubt have enough of examples to show this claimed progress, uniqueness of unbridled continuity over millennia of years and successfully managing a vast country with tremendous diversity. There is also no denying the fact that India is on its way to becoming a developed country. However, the present ground reality is fairly different from we may like to portray to the world. There are several things that are still lacking. Much of the progress is not visible in the streets of the country, particularly in rural and tribal areas. There are millions of people still surviving on an income of less than one dollar a day. With 21% of its population undernourished, nearly 44% of under-5 children underweight and 7% of them dying before they reach five years, India is still firmly established among the world's most hunger-ridden countries. India lags behind 132 countries in per capita income, according to the International Monetary Fund. Inconvenient but the fact remains that in spite of increase in food grains production over the past 60 years, per capita availability of food grains has decreased over years. The Country may boast of an increase in international trade, increased export revenue, but it can't boast of any substantial improvement in the living standards of majority of its population. FY 2012-13, shows that the current account deficit totalled \$339 billion that ate up the forex reserve and the rupee value nosedived from Rs. 45 to a dollar in August 2012 to Rs. 68 a US dollar in August 2013. Literacy rate may have shown an improvement of almost 9 percent up to 74.04% in 2011 from 65.38% in 2001 but still a huge section of the population continues to be unable to read and write. 63.08% literacy rate of Bihar means nearly 37% are illiterate. And if we talk of quality of education the scene is worse. Unemployment rate has increased. Poor performance of the economy during last few years has derailed Planning Commission's ambitious growth target of 8 per cent for the 12th Plan, which the nation's official think-tank is set to revise downwards in the New Year as part of its mid-term review exercise.

Indians are considered to be smart and creative people. They have also proven to be hard working and prudent. India is a gifted nation, with a good climate and plenty of natural resources. It is richly endowed by Nature for agriculture production. Our arable to the total land area is 51% against the world average of only 11%. It has a vibrant, enduring democracy and the rule of law prevails. So why does India continue to be poor and a developing country even after decades of independence? It is time to ponder and move forward in action. we have got excellent opportunity to set the 'Building a Developed India' as national agenda before the general election so that the new government has a clear cut objective along with a explicit action plan to achieve that. To begin with people criminally responsible for mis-management must by pushing them to the dustbin of the history. A Vision for the New Millennium say, "A developed India", as envisioned by, Dr. A.P.J. Abdul Kalam in his words, "is not a dream. It need not be a mere vision in the minds of many Indians. It is a mission we can all take up - and succeed". In the year 2014 when India votes for a new government at centre let us vote for righteous candidates who have firm belief in the strengths of the nation and its people and are capable of taking India to new heights and pulling out its people from the life of deprivation to that of prosperity and happiness.



National Meet of SJM Concludes with a call **'Mend economic policies to save the nation'**

The three-day national conference of the Swadeshi Jagaran Manch (SJM), held in Thiruvananthapuram (Kerala), ended on Sunday 15th December with a call to the UPA Government to mend its economic policies and save the nation. It was 11th National Conference of the Manch.

Briefing the media on the outcome of the conference, SJM co-convenor Dr. Ashwani Mahajan said the UPA government had pushed the country into a deep crisis through mismanagement of the economy. He said the lowering of import tariffs and heavy borrowing by the government had led to the current situation. The only solution, he said, was to reverse the economic policies that promoted import liberalisation.

“The country’s ballooning external debt and deficit in balance of payments are pulling down the ru-

pee even as the government continues to lose revenue through reckless tax concessions for imports by corporates & MNCs. This is affecting India’s investment environment and infrastructure development”.

Dr. Ashwani Mahajan said the indiscriminate import of capital goods from China was posing a threat to the country’s economy and sovereignty. He said tax concessions in the name of promoting foreign investment were hurting the economy.

“While India gained \$26 billion as foreign direct investment last year, the outgo on profits and royalty was to the tune of \$32 billion. This is depleting our foreign exchange reserves. Money is actually going out of the country, leading to inflation, unemployment and poverty”.

He said the nation-wide campaign against Chinese goods

launched by SJM had evoked a good response from the masses.

Mr. Mahajan said the World Trade Organisation’s Bali package would hurt India’s interests and allow other member countries to scrutinise the domestic food security programme.

“The trade facilitation part of the package will actually facilitate imports to India,” he said.

The all-India conference of Swadeshi Jagaran Manch began on 13th December with a call to propound the virtues of ‘Swadeshi.’ The National Conference was inaugurated by P Gopinathan Nair, a renowned Gandhian and All India Gandhi Samarak Nidhi chairman.

Speaking on the occasion P Gopinathan Nair said Swadeshi movements represent the real India. Mahatma Gandhi had recognised that the real potential of the country was lying in the villages. He

Resolution-1 Do not shed responsibility of maintaining public utilities

Swadeshi Jagran Manch views with grave concern, the increasing and unaffordable cost of public utilities be it education, health service, water, electricity, and transportation etc. In the name of liberalization the government is not only letting these fields open to private sector profiteering but it is also abandoning its primary duty of regulation and quality control. The commercialization of these essential services in a welfare economy is a crime. And of late it has become a major political campaign issue as we have seen it happening in the recent assembly elections. It is not that the entire burden of giving universal education, health care and affordable electricity, water and transportation can solely be taken care of by the state. There is need for private participation. But it has to be transparent, participative and at all costs unexploitative.

The floodgate of private institutions into the education sector and health services for instance has become a bane of liberalization. Not only that these private players take advantage of liberal concessions from the state in the form of infrastructure, cheap land and other facilities like tax holiday, and services at discounted rate, they arbitrarily hike the user charges on the consumer. For instance, education:

The government is committed to universal quality education. All the reports by expert committees have shown that most of these private institutions are not ensuring quality education while state run institutions are declining in quality leaving the space open to exploitation by market forces. The tragedy is most of these institutions are generating unemployable degree holders. The huge profit that these private players are making in the education sector has enticed even foreign universities to lobby for setting up shops in India. The government has a duty to both ensure quality and firm up regulatory mechanism. In the absence of standardization of education, poor rural children are denied access to better schooling. Government schools are woefully lacking in even the minimal requirements like sanitation, qualified teachers, labs, and library facilities. This leads to unequal and unhealthy competition and majority of Indian students are denied education that can make them competitive in the job market. This is more evident in the case of scientific and technical education.

Same is the case with health services. While India has booming health tourism, the poor patients in the country are made to suffer exploitation by mushrooming private hospital and insurance companies. These five star private hospitals immorally and unethically even loot those patients. Some reports show that one of the reasons for debt-related suicides in the rural areas is the result of debt acquired on account of education for children and health. This fact was endorsed by no less a person than prime minister himself. Wherever good quality health care is available in the public sector, even those who can afford to pay, exploit the facilities, like in AIIMS and other reputed government hospitals. At the same time, poor patients who have no resort but for these public facilities are left to fend for themselves, with hospitals withdrawing from services such as clinical tests and free medicine. The rural health care situation is abominable.

Fund crunch has forced many top class institutions in the country abandon research projects. The universities and scientific institutions are not provided with adequate funds with the result that research papers generated at higher education level are not comparable with world standards. It is high time the government instead of throwing open the flood gate of private and foreign exploitation of the youth talent of India, a policy is formulated to encourage quality research.

Clean drinking water is still a mirage for majority of Indian population. Even in the capital city of Delhi, according to Human Development Index, only 53 per cent get water supply at homes. But even this is not 24x7. The all India picture is abysmally poor. It is in such a condition that the government is thinking of privatizing water supply to make even clean water unaffordable for the poor.

Under the private public partnership toll roads are built and this has added to the burden of the citizen. Arbitrary and high toll rates have contributed in a big way to price rise in food items and transportation cost. It is in this background that the Swadeshi Jagran Manch is demanding a more egalitarian, sustainable and humane approach from policy makers. The government cannot escape from its fundamental commitment to ensure better education and affordable public utility services to all Indians.

In this scenario, 11th National Conference of SJM demands:

1. Government come back to its primary responsibility of providing basic amenities, like education, health care, safe drinking water, electricity, unexploitative transport system to the people, particularly the poor.
2. Government instead of being obstinate on the stand of passing the Alleged pro poor legislations which actually help foreign players and corporates should instead legislate in a manner that benefits the real poor and ensures transparency.
3. Government should institute enquiries of all PPP projects and fix responsibilities for the lapses therein and punish the guilty.
4. Government should respect and implement the recommendations of the CAG and the courts on these subjects without prevaricating over the same.
5. Withdraw the concession given to the partner corporates in case they do not comply with the terms and conditions of their leases.

Resolution-2**National Interests Compromised at Bali**

It is disconcerting to hear what has happened at the World Trade Organisation (WTO) ministerial meet at Bali. The government of India has compromised the interest of India, both of its farmers as well as agreeing to the trade facilitation agreement. The government has done so without any quid pro quo on behalf of the developed countries whatsoever.

Government is propagating that with this agreement international trade related hurdles have been removed, as developed countries have agreed, not to raise dispute about support for public stock holding of food grains for food security exceeding the threshold limit of 10% of the total value of agricultural produce.

However, government does not tell people that the agreement reached states, the Agreement of Agriculture (AoA) is in relation to support provided for traditional staple food crops in pursuance of public stockholding programmes for food security purposes "existing as of the date of this Decision", that is 6th December 2013, provided govt. of India complies with the conditions agreed upon.

Swadeshi Jagaran Manch believes that the acceptance would effectively mean that the India would have to do away with food security at some later point of time. We also believe that acceptance of default would be a fait accompli in the future.

From the very beginning of this conference Indian delegation led by commerce minister Anand Sharma was firm on the demand that, this peace clause is not acceptable to India. On December 5th 2013, in a press conference held at convention premises Anand Sharma said that, food security is non-negotiable for India. Elaborating the present in equitable and unjust system and rules of WTO, he said that the formula for calculating support for Public Stock Holding for food security is unreasonably loaded against the developing countries, as the base year for pricing of food grains has been pegged at 1988 prices (25 years old prices). After 1988 prices of food grains have gone up manifold and therefore they cannot be accepted and there is a need to change the WTO rules.

However, by the evening of December 5th scenario changed and Indian delegation softening its stand caved in and gave its consent to the final draft of agreement.

Final draft for agreement as notified by WTO has a clear transparency clause and also mandates that Committee on Agriculture shall monitor the information submitted under this Decision. This implicitly implies that the country will have to admit year after year that it is exceeding the threshold limit of support on public stockholding for food security; and this information is subject to scrutiny by the member countries. Member countries, through a process of consultation, will also have the right to scrutinise the food programmes of India, or for that matter other member countries and in case of any 'breach' the same could be disputed. All these provisions of the agreement clearly indicate at foreign eye on internal policy matters of India and also erosion of sovereignty of the country.

said that centralised administration was a curse for the country. "Democracy and centralism" cannot go together. People's aspirations cannot be realised in a centralised power system, he opined.

He said that while everybody was complaining about rampant corruption, the concentration of power was contributing to it. In a democracy the priority should be given to human being.

Gopinathan Nair opined that it was against the tradition of India to oppose the Supreme Court verdict pronouncing gay marriages as illegal. He said it was unfortunate that there was an outcry against the order. He stressed the need to adopt the Grama Swaraj system as a substitute to the centralised parliamentary model that

had led to a legislative paralysis.

Delivering the keynote address in the inaugural session, economist and social and political commentator and National Co-convenor of SJM S. Gurumurthy said India had defied predictions that it would have to rely heavily on foreign investment, foreign technology, and foreign economic models for survival in the globalised economy.

"Over the last 20 years, we have demolished the theory that foreign investment is imperative for our development. Over 98 per cent of the investment during this period was through Indian savings."

He said multinational investment banking firms were now acknowledging the capability of Indian families to finance the coun-

try's massive investment for development of infrastructure.

Stressing the importance of the family system in the Indian economy, Mr. Gurumurthy said it could be a role model for solving economic problems in other parts of the world.

Sh. Arun Ojha, national convenor, SJM, presented the annual report. In his brief address Sh. Arun Ojha mentioned some important programmes that were conducted by Swadeshi Jagaran Manch during the year.

Besides Inaugural and concluding sessions, four resolutions on important issues were passed in different business sessions spread over three days. The resolutions passed were titled as:

1. Do not shed responsibility of

..... Further, this agreement covers only Agreement on Agriculture (AoA), and not ASCM, without which the programme may be accused of impacting the export market, even if involuntarily, and would be subject to dispute.

For the last five ministerial meetings, though no headway could be made in DDR, but hopes were alive that the issue of unequal treatment for developing countries and LDCs, leading to losses in international trade, would be addressed. It is notable that developed countries give mammoth subsidies and there is a long standing demand of developing countries to reduce these subsidies. However, in the present agreement by agreeing to peace clause, the momentum and pressure built in the last five ministerial conferences, has been suddenly released.

Final draft agreed in Bali, mandates developing countries to ensure various measures of trade facilitation, which includes efforts at simplifying border procedures (e.g. the modalities at the port), so that exports from developed countries could enter developing countries conveniently, without hassles. It is notable that trade deficit is exceeding 10 percent of GDP, and resulting payment crisis is weakening rupee day by day. By providing trade facilitation, imports from rest of the world may flood India, further worsening already difficult external payment position.

Further, several of the provisions under negotiations could hold significant administrative and institutional burdens on LDCs and other developing countries. Meeting the obligations as proposed, is likely to involve significant cost for developing countries. Apart from building, huge infrastructure (both soft and hard) including airports, sea ports, dedicated corridors, roads etc., it would also involve automation of customs system etc. It is unfortunate that no cost assessment has been made by government of India about implementing the provisions of trade facilitation. However, this is a fact that meeting this cost would mean a huge diversion of resources from public services such as health care, food security and education to customs administration.

Thus we can say that the claimed 'victory' of Indian delegation is actually a defeat. This can at best be said to be the victory of present regime, in overcoming possible international trade dispute in implementing food security programme, which is being seen as an election gimmick to garner votes. However in reality, this agreement has actually eroded sovereignty on the one hand and put a ceiling on the freedom of future regimes to announce any more food security programmes. This agreement would in fact encourage food grain imports, sealing the fate of Indian farmers and worsening the payment crisis.

The Swadeshi Jagaran Manch therefore calls upon all right-thinking people of the country to understand and make rest of the people realise that India has failed in Bali due to compromise by UPA government. This 11th National Conference of SJM demands that -

- government comes out with a detailed statement on the agreement in Bali and its implications for the country.
- calls upon the countrymen to put pressure on the government of India to change course and failing which raise up a mass movement to challenge these illegal actions of the present compromised UPA .
- ensure that the new government coming to power after general election is compelled to reverse the course taken by present government and protect interests of the country including restoration of sovereignty and interests of farmers and poor.

□

- maintaining public utilities;
- National Interests Compromised at Bali;
- Protect Environment for posterity and
- Mend Policies, Save Nation.

First resolution adopted at the national conference asked the government not to shed responsibility of maintaining public utilities in view of the increasing and unaffordable cost of public utilities be it education, health service, water, electricity, and transportation etc. In the name of liberalization the government is not only letting these fields open to private sector profiteering but it is also abandoning its primary duty of regulation and quality control, SJM observed. The

resolution was moved by senior Journalist Dr. R Balashankar. He cited several examples to show how basic amenities were going out of reach of the common people.

In the second resolution SJM revealed that the Government of India had compromised the interests of the country's farmers and poor by agreeing to the trade facilitation agreement at WTO ministerial meet at Bali. The resolution presented by joint convener prof. Bhagavati Prasad Sharma said the government had done so without getting any quid pro quo from the developed countries.

"The government is propagating that with this agreement international trade-related hurdles have

been removed, as developed countries have agreed not to raise dispute about support for public stockholding of food grains for food security exceeding the threshold limit of 10 per cent of the total value of agricultural produce.

However, the government does not tell people that the the Agreement of Agriculture (AoA) is in relation to support provided for traditional staple food crops in pursuance of public stockholding programmes for food security purposes 'existing as of the date of this decision', that is December 6, 2013, provided Govt of India complies with the conditions agreed upon" the resolution said.

From the very beginning of

Resolution-3**Protect Environment for posterity**

The term Western Ghats refers to the chain of mountains running parallel to the western coast of the Indian peninsula. It runs from North to South starting from River Tyapti in Gujrat upto Kanyakumari in the south, for a distance of 1600 kms. It's total area is 160000 square kilometers. It covers six states namely, Gujarat, Maharashtra, Goa, Karnataka, Kerala and Tamil Nadu.

Western Ghats are world famous for it's dense forests and rich bio-diversity. It is one among 34 bio diversity hot spots identified all the world over. It is also one of the 8 hottest of hot spots.

On account of its rich forests and heavy to very heavy rain fall it gets during monsoon, almost all rivers of south India such as Krishna, Thunga, Bhadra, Kaveri, Periyar, Sharavathi, Kali, Aghanashini and so on take their birth in the western Ghats and provide water for the agriculture, industries, power generation and day to day life of the people of entire south India. In fact the entire South Indian economy, ecology, and culture are dependent upon the ecological health of Western Ghats.

Over the last 60 years of independence the western Ghats are destroyed to a great extent on account reckless development such as mining, polluting industries, hydro-electric and thermal power projects.

With a view to protest the remaining Western Ghats ecology, the Ministry of Environment & Forests of the central government appointed in March 2010, a Western Ghats Ecology Expert Panel under the chairmanship of the world reknowned ecologist Dr. Madhav Gadgil who was also the chairman of the CES of I.I.Sc, Bangalore. The Gadgil committee gave its report in 2011.

It pointed out that the entire WG should be considered as ecologically sensitive area (ESA). However, depending upon the degree of ecological sensitivity of particular parts, the report classified the Western Ghats into the ESZ1, ESZ2 and ESZ3 and recommended graded protection measures.

However, due to the pressure from mining companies, real estate lobbies, timber lobbies and other corporate sectors, the central government rejected the Madhav Gadgil report and appointed a High Level Working Group under the chairmanship of Dr. Kasturi Rangan, the former chairman to ISRO and presently member of the planning commission, to review the recommendations of Madhav Gadgil report.

Kasturi Rangan committee report is a diluted version of the Gadgil report. It classifies the WG area into cultural land scape and natural land scape. 63% of the WG area is classified as cultural land scape - where population density is high and forests are thin and fragmented. This does not deserve any protection. 37% of the WG area 60000 square kilometers is classified as natural land scape, where Population density is less and forests are relatively thick and less fragmented. This natural land scape (ESA) deserves strong protection. In Karnataka 1526 villages are listed as ESA. In Kerala about 126 village come under ESA.

Today, sand mining, quarrying, and all other mining activities are legally prohibited. 47 red category industries are prohibited. Large construction activities such as building complexes and townships are prohibited in ESA villages. Strong reaction has come from Kerala. Both the ruling and opposition parties are against implementing Kasturi Rangan report, stating that it will adversely affect the development of the ESA villages. If all other states follow the foot steps of Kerala, even the diluted, Kasturi Rangan report may not be implemented.

Swadeshi Jagaran Manch has always stood against destructive development. It has always stood for ecologically sustainable development. Therefore, this Sammelan of SJM at Thriuvanthapuram, Kerala demands that Union government, withdraw the Kasturi Rangan committee report and implement the Madhav Gadgil committee report on Western Ghats and protect, preserve and enrich the bio-diversity of Western Ghats for ecologically sustainable development of India. □

Bali conference, the Indian delegation led by Commerce Minister Anand Sharma was firm on the demand that this clause is not acceptable to India. On December 5, 2013, Anand Sharma said in a press conference held in the convention premises that food security is non-negotiable for India.

Demanding withdrawal of the Kasturirangan Committee report on the Western Ghats, SJM National Conference in its third resolution called upon the Centre

to implement the Madhav Gadgil Committee report instead and protect, preserve and enrich the biodiversity for ecologically sustainable development of the Western Ghats.

The ongoing protests against the Kasturirangan committee's report on the conservation of Western Ghats in Kerala could be driven by political and economic interests, and will affect the State's prospects in the long run, according to B.M. Kumaraswamy, former member of the Western Ghats

Task Force, Government of Karnataka.

Prof. Kumaraswamy blamed the State government for its failure to enlighten the people on the provisions of the report and the need to conserve the Western Ghats for generations to come.

"There is nothing in the report to suggest the displacement of people from the 123 villages coming under the proposed Ecologically Sensitive Area (ESA). Yet vested interests were able to create a

Resolution-4**Mend Policies, Save Nation**

The Indian economy was on the rise from 2001-02 onwards, overcoming the effect of global sanctions after the Pokhran Atomic explosion and this surprised and shocked the world. The national saving and investment were on the rise and therefore, national growth and GDP, reached 8% in 2003-04. For the first time after 1977-78 India posted surplus in current account between 2001-02 and 2003-04. The surplus in the three years totalled \$22 billion. This was achieved largely with domestic saving, investment and consumption and India was the only emerging economy in the world to achieve such high growth without significant foreign investment.

But things changed from 2004-05. The focus shifted from emphasis on domestic impulses to external props for the economy. The new government began to tap short term stock market funds, which were available in plenty because of high global liquidity and funding imports. The glut of global liquidity blinded the government into more and more import liberalization. The result became visible after 2008-09 when global liquidity began dry up. An analysis of the current account from 2004-05 to 2012-13, shows that the current account deficit totalled \$339 billion against a current account surplus of \$22 billion between 2001-02 and 2003-04. The current account deficit ate up the forex reserve and the rupee value nose dived from Rs. 45 to a dollar in August 2012 to Rs. 68 a US dollar in August 2013. The government began blaming oil prices and high oil and gold imports for the current account deficit. But an analysis of the imports during 2004-05 shows that the government was telling lies. The net oil import was \$ 815 billion and net gold import was \$161 billion but the capital goods import was \$587 billion in 9 years against an average of just \$10 billion a year before. This destroyed India's capital goods industry - which declined by 10 percent in 2001-12 and 2012-13. This also brought down the growth of manufacturing from 11 percent upto 2007-08 to less than 4.5 percent afterwards. The capital goods import was facilitated by zero rate import duty. The tax concession given during the 9 years period was 30 lac, cost of which Rs. 10 lac crore was upto 2007-08 and Rs. 20 lac crore from 2008-09 to 2012-13. This tax concession resulted in fiscal deficit of Rs. 23 lac crore in 9 years. So this was clearly a period of economic destruction. The fall in rupee value, led to rise in petrol prices. So the fall in value of rupee from Rs. 45 to 62 Rs. a dollar, meant Rs. 187000 crore increase in oil bill. This led to high inflation. But for the remittances of \$337 billion by Indian abroad for their family needs in the last 9 years, the nation would have been bankrupt. The last nine years are an example of gross mismanagement of the national economy for which the UPA government must be held accountable by the people.

The SJM therefore -

1. Condemns and holds the UPA government criminally responsible for mis-management of the economy and demands an inquiry to be made into the reckless tax concession led imports which crashed the Indian Rupee and led to inflation and disturbed the overall growth of the economy.
2. Demands that the tax concession given for imports be forth with withdrawn and imports tariff be restricted to the 2003-04 level.
3. The policies of the present government is a warning to any government that may come to power, not to follow such reckless tax concession led import liberalization and to follow policies of adequate production of domestic capital good and encouraging domestic manufacturing.
4. The policy of the present government to finance reckless imports through short term forex funds obtained through stock markets and short term debts have damaged the economy and SJM warns the future government against such irresponsible economic adventure.
5. All tax concession which the budget documents describe as "Revenue foregone" be reviewed and withdrawn to cut and bring down the revenue deficit and fiscal deficit and augment resources for infrastructure and other development.
6. Any government that comes to power should focus on domestic savings, capital formation, manufacture and demand for growth and as the core economic impulse and not as foreign capital and foreign trade as means for growth.
7. Future government shall also ensure that genuine needs of the deserving people are met from government funds and not populist schemes to create vote-banks and for getting votes which distorts and destroy national economy. □

fear psychosis through scaremongering in Kerala," he said.

The Western Ghats, he said, represented a cash cow for Kerala. "You cannot afford to kill that cow. The flow of rivers, monsoons, medicinal plant resources, and agriculture here depends on the eco-

logical health of the Western Ghats. Conserving this ecology is crucial for the State to safeguard its potential in several areas such as ecotourism and Ayurveda. You are not losing anything by conserving," he said.

Terming the protests as organised and not spontaneous, he said

both the ruling and the Opposition parties in Kerala were playing vote bank politics with the issue. The government, he said, could have averted the situation by taking the people into confidence and educating them on the issues.

Prof. Kumaraswamy said this

Statement issued by SJM in its 11th National Conference in Thiruvananthapuram on increasing threats to Security of India

India is facing multifarious challenges on the security front both internal and external. Surrounded by hostile neighbors like trouble making Pakistan and unpredictable China, our borders are shrinking even after decades of gaining independence. Our influence on politically unstable Nepal, growingly extremist Bangladesh, civil war ravaged Sri Lanka and even in Tiny Maldives is progressively weaving.

Forces detrimental to India including countries with imperialist and expansionist designs are active both inside India and on its borders from every side. Threats from sea route are also at an all-time high. New disruptive technologies such as ICT, artificial intelligence, robotics, 3D manufacturing and embedded technologies have irrevocably changed the nature of security risks. Increased density and spread of internet connectivity has made us prone to sophisticated cyber-attacks particularly in sensitive areas from hostile elements.

India is also in the middle of a war between both crushing economic interests as well as interests motivated by civilizational superiority. Prime Minister Dr. Manmohan Singh acknowledged the challenges posed by the shift in global strategic focus towards the Asia-Pacific region, in his address to the combined commandos conference on November 22, 2013. As an emerging economic power with huge domestic market security threat to our industrial infrastructure and coastal area remains high.

Terrorism and naxalism continues to make the country vulnerable to sabotage and attacks. The fact of the Indian neighbourhood being surrounded by states which are non-functional and/or which are bearers of organisations inimical to the interests of India like Pakistan, Afghanistan, Nepal whether they be Islamists or Maoists is known by all. The fact that even small Bangladesh or even smaller Maldives don't care much for India is apparent to all. The Sri Lankan government as well as the government of Myanmar are increasing interaction with powers which are opposed to India like China.

On its northern borders India of course is confronted by China which is constructing heavy infrastructure on its borders thereby threatening the security of India while also damming rivers which flow into India thereby endangering the water resources of the country having a clear knock-on effect on agriculture which is the mainstay of the Indian economy. It is also seemingly strange that the present government is not paying heed to the forces of Maoism and Islamism which are running rampant across the country. Needless to say that both are influenced by disruptive ideologies and are backed by foreign countries which are adverse to the interests of India. It is also strange that even though it is clearly acknowledged that China is the major threat to Indian security including its continuing illegal occupation of Aksai Chin area of our country in north and unremitting threat over parts of Arunachal Pradesh, Chinese companies are being given the high security projects involving crucial sections of the Indian infrastructure throughout the country. Indian security and well-being is being compromised apparently.

Dependence for our defence requirements on imports almost completely, including overdependence on information & telecommunication equipments manufactured abroad that runs a high risk of implanted malicious codes being used for both spying as well as disruption of security network is another dimension that poses a grave danger to the country particularly in a scenario where a 'two-front' along with a simultaneous internal subversion is being seen as an almost certain.

At the other end of the spectrum the Indian government is not paying heed to the worldwide concern of American Internet companies acting on the half of the United States of America security agencies to spy on people in this country. The fact that they are the company which is making the "Aadhar" unique identity document which includes or attempts to include every small detail of every Indian is owned partially by corporate interests close to the American security establishment is a matter of grave concern. However the present government is in no mood to heed warnings or to be concerned about the security of India being so obsessed in covering up for itself and its various scams.

The internal security of India and the external security of India is clearly in danger in the hands of the present government.

The Swadeshi Jagran Manch therefore calls upon the government of India to shed its soft-state approach and take bold steps like:

1. Forth with stop allowing foreign companies particularly from China from bidding for defence related projects.
2. Take all the necessary steps to indigenise defence production and end the overdependence on imports.
3. Fully implement the preferential market access to domestic telecom equipment manufacturing companies to avoid security risks involved.
4. Take all required steps needed to prepare security forces in every respect for a possible two-front armed confrontation and a simultaneous internal subversion.

was in sharp contrast to Karnataka where 1,526 villages were listed as ESA. "Despite this, the situation remains calm there," he said.

He said the report of the High Level Working Group (HLWG) headed by Kasturirangan was a big climbdown from the position of the Western Ghats Ecology Expert Panel (WGEEP) chaired by Madhav Gadgil that had proposed 1,200 villages in Kerala to be classified as ESA.

Prof. Kumaraswamy, who piloted a resolution on the protection of the Western Ghats at the SJM meeting, stressed the need to resurrect the report of the WGEEP that had been prepared after discussions with grama sabhas. He highlighted the need for a participatory field survey to supplement the satellite data that was used by the HLWG to demarcate the ESAs.

The resolution urged the Centre to withdraw the HLWG report and implement the WGEEP report to protect, preserve, and enrich the biodiversity of the Western Ghats for ecologically sustainable development of India.

Holding the UPA Government "criminally responsible" for mismanagement of the economy and demanded an investigation into the "reckless tax concession-led imports" which had caused the crash in value of the Indian rupee and led to inflation. Tax concessions for imports should be withdrawn immediately and import tariff be restricted to the 2003-04 level, the SJM said in its third resolution.

The resolution further said that "The government began blaming oil prices and high oil and gold imports for the current account deficit. But an analysis of the imports during 2004-05 shows that



the government was telling lies. The net oil import was \$ 815 billion and net gold import was \$161 billion but the capital goods import was \$587 billion in 9 years against an average of just \$10 billion a year before. This destroyed India's capital goods industry – which declined by 10 percent in 2001-12 and 2012-13. This also brought down the growth of manufacturing from 11 percent upto 2007-08 to less than 4.5 percent afterwards. The capital goods import was facilitated by zero rate import duty. The tax concession given during the 9 years period was 30 lac, cost of which Rs. 10 lac crore was upto 2007-08 and Rs. 20 lac crore from 2008-09 to 2012-13".

A Statement was also issued on increasing threats to Security of India, saying that India was facing multifarious challenges on the security front both internal and external and asked the Union government to shed its 'soft-state' approach and take bold steps to face the threat.

It further said India is surrounded by 'hostile' neighbors like Pakistan and unpredictable China and our borders are shrinking even after decades of gaining independence. Increased density and spread of internet connectivity has

made India prone to sophisticated cyber-attacks particularly in sensitive areas from hostile elements, SJM said.

Criticising the UPA government, the statement said it was not paying heed to the forces of Maoism and Islamism across the country. "Both are influenced by disruptive ideologies and backed by foreign countries which are adverse to the interests of India," the resolution said.

SJM demanded that the government stop allowing foreign companies, particularly from China, from bidding for defence related projects and take all necessary steps to indigenise defence production and end overdependence on imports.

An impressive Shoba yatra by the delegates through the main roads of Thiruvananthapuram was another highlight of the Conference. Delegates from different states in their traditional attire with play cards flags and banners presented an attractive view. After the conclusion of Shoba Yatra a public meeting was held. Sh. S Gurumurthy, Sh. Saji Narayan of BMS and Prof. Yoganand Kale were the speakers in the public meeting. While Sh Gurumurthy spoke in

English, Sh. Sajinarayan delivered his lecture in Malayalam. Yoganand Kale chose to speak in Hindi.

Speaking in the public meeting Sh. S. Gurumurthy said that Bharat is rising. It is rising as a political and economic power, he asserted. Referring to Pokhran test in 1998 as an important milestone in the history of modern India, he asserted that these tests delivered a message to the world that India may be a soft state, but it can be hard also. Referring to reactions of the world, Gurumurthy said that world pounced on India. They were shocked to see the nation of Buddha and Gandhi exploding an Atom Bomb. Recalling the response of the then president of USA in which he had said that "It was least expected from a peace loving country, the learned leader of SJM said that India is and always was a peace loving country, but the cruel world respects power only and not peace loving people. Sanctions were put on India, he recalled, the media and the economists blamed government for these sanction and termed the explosions as irresponsible but the government appealed to non resident Indians. It asked them to help the country of their origin with an investment of 0.5 billion US dollars.

NRIs who celebrated these tests like Deepawali as they felt proud after these tests responded with an investment of over 6 billion dollars, he reminded.

It was the spirit of India expressed. Identity with nation, culture and civilization that not only saw the country through those hard times but forced all countries of the world to withdraw sanctions unilaterally.

It was yet again the demon-

One Re fall in Indian currency vs US dollar results in a burden of Rs. 11000 crore for same quantity of petrol.

stration of the fact that might is respected, he added. Recalling the spurt in economic activity in 2002-04, Gurumurthy asserted that without FDI India achieved enormous economic progress during that period. GDP grew at 8%, he said.

Talking about problems faced by the country today, he said. "Our biggest problem is growing CAD. Prices have shot through the roof. Sufferings of the common people have multiplied. While in 2004 we had current account surplus, a rare achievement that surprised world, and India became a strong economy. It was this growing India that attracted the foreign investors.

This development made the government irresponsible and as result of its irresponsible behavior rupee weakened reaching a record low of Rs. 68 from Rs. 45 vs US dollar. Explaining the impact of fall in rupee value the renowned economist said that a one Re fall in Indian currency vs US dollar results in a burden of Rs. 11000 crore for same quantity of petrol that means a Rs. 23 fall added an amount of Rs. 2,60,000 crore burden to exchequer as this is the amount that nation pays to foreigners. Ridiculing the government for blaming gold and oil imports for CAD, S. Gurumurthy cited figures to nail the official lies. He said that in the 8 years after 2004, when we were a current account surplus economy we import-

ed oil worth 515 billion US dollars and gold worth 161 billion US dollars. But the capital goods import during this period was worth 587 billion US dollars, a huge jump from just imports worth 10 billion US dollars only in 2004. Imports are rising after cutting down custom rates to 0%.

Referring to 175 billion dollar trade deficit with China during these 9 years, Gurumurthy stressed that China is an enemy of India and not a friendly country like Germany or France, yet Indian government gifts this amount to China.

Local industry has been crushed, economy destroyed because of this recklessness and naked irresponsibility of the government, he added. It is a criminal lapse, he asserted. Sh. Gurumurthy ji said that there was no problem with India. People of India are responsible and save. Indian families are saving around 10 lakh crores this year only in Banks. And it is this money that government borrows from banks.

Connecting this habit of saving to the cultural foundation of the country, he said it is selected to economy of India.

Forthcoming programmes of SJM

In his address Sh. Kashmirilal ji, Akhil Bhartiya Sangathak said that strength of any organisation is its workers. He asked everyone to focus on the work on ground in order to expand SJM to newer areas. Sh. Kashmirilal ji also asked SJM activists to transform decisions taken in the national conference into the action on ground. He informed delegates about several forthcoming programmes that have been decided in the meeting and asked all the participants to ensure that these programmes are

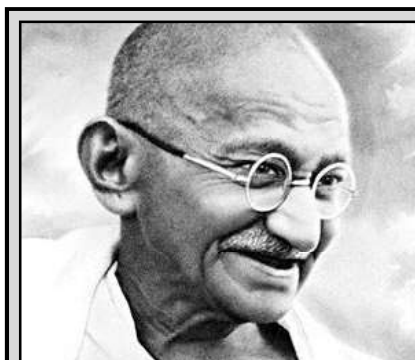
done successfully in their area.

Some of these programmes are as follows:

- ❑ 12th National Sabha will be held in November or December 2014 in Bhubneshwar (Odisha).
- ❑ Central working committee meeting will be held on 22nd & 23rd March 2014 in Central Office of SJM in New Delhi.
- ❑ National Council meeting will be held on 31st May and 1st June 2014 in Panipat (Haryana).
- ❑ Every state unit will organize press conferences at state and district level to propagate information about resolutions passed in Thiruvananthapuram conference.
- ❑ Four issues have been underlined for the purpose of larger publicity in wake of forth coming parliamentary elections. This are:- 1. Mend policy: save nation. 2. Black Money, 3. FDI In retail sector, 4. Challenges from China.

Further it was decided that seminars/Press conference and public meetings shall be held at as many places as possible to highlight the surrender by the UPA government at WTO Ministerial meeting held in Bali (Indonesia) from December 3-6, 2013 which will result in huge loss to the country particularly its farmers.

In his concluding remarks National Convener Sh. Arun Ojha described Swadeshi as a Dharmic movement. Recalling Mahatma Gandhi, Arun Ojha said that in his will Gandhi ji wrote just a day before his death that the task of economic, social and Dharmic independence was yet to be achieved. He had presented Ramrajya as an ideal for India, Arun ji added. He asserted that the ideal set forth by Mahatma Gandhi can't be narrow



In his will Gandhi ji wrote just a day before his death that the task of economic, social and Dharmic independence was yet to be achieved.

or communal. Arun Ojha added that Swadeshi Jagaran Manch was working for fulfillment of the dreams of Gandhi ji. Quoting a Shaloka by Vedvyas from Mahabharat, Arun ji said that whatever is earned truthfully, without hurting anybody and without begging in best form of income. He also recalled advice given by Narad to Yudhishtira saying that feeding poor was the responsibility of the rulers. Quoting Henry Kissinger of US, who while speaking in Ireland equated globalization with Americanisation Arun ji emphasized that globalization was not in the interest of the poor.

Sh. Arun ji in a strong appeal asked people to join Swadeshi Movement as it is a fight for entire humanity. He asked SJM activities to step up their efforts further to achieve the desired goal.

New responsibilities announced –

- ❑ Dr. Ashwani Mahajan – National co- convener.
- ❑ Sh. Ajay Patki – Akhil Bharatiya Vichar Mandal Pramukh
- ❑ Sh. Annada Pannigrihi – Sangarsh Vahini Pramukh.
- ❑ Sh. Ravi Wig – Chairman CBMD
- ❑ Sh. Satish ji incharge North zone & Rajasthan.
- ❑ Sh. Kamaljit ji Incharge Delhi and Haryana.

- ❑ Sh. Kamal Tiwari Co-conven-er Delhi state.
- ❑ Sh. Narotam Thankur – Convenor Himachal Pradesh.
- ❑ Smt. Dinesh Guleria & Sh.INDER Thakur – Co-convenor, Himachal Pradesh.
- ❑ Sh. Shashi Dutt Sharma – Sangharsh Vahini Pramukh (H.P.)
- ❑ Sh. Ranjit Kartikey – Samparak Pramukh, Kerala
- ❑ Sh. Santosh Kumar – Kerala Vichar Mandal Pramukh
- ❑ Sh. Gokul – Kerala Yova Prakashth Pramukh.
- ❑ Sh. Parushram Das – Yuva Prakashth Pramukh, Odisha
- ❑ Sh. Sachidanandan Das – Sangarsh Vahini Pramukh, Odisha
- ❑ Sh. Ramnavambi Narayan – Tamil Nadu Prant Sanyojak.
- ❑ Sh. L. Sampat Kumar – Tamil Nadu Prant Sanghthak.
- ❑ Sh. Pradeep Kumar – Karnatak Prant Sanyojak.
- ❑ Sh. Rishi Bansal – West U.P. Prant Kosh Pramukh.
- ❑ Sh. Vipin Kumar Singh – Uttrakhand Prant Sah-Sanyojak.
- ❑ Sh. Keshav Bihari – Kalahandi (Odisha) Vibhag Sanyojak.
- ❑ Sh. Vikas Choudary (Delhi), Sh. Ashutosh (Delhi), Sh. Gautam Ram (H.P.), Sh. Prasanna Chotaray (Odisha), Sh. Jeevandhar Jain (Bhopal), & Sh. Deshbandhu (H.P.) are Members of NEC.

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AAP Leaders and Signs of Alien Influences



Since 1970s the New York based Ford Foundation has begun to promote a new breed of 'activist' NGOs, and civil society organizations, engaged in social and political activities & made more than 3500 grants, totaling more than \$ 508 million to nearly 1250 institutions. Their grants are more focused on tribals, dalits and women, underlines Dr. Bhagwati Prakash Sharma

Quick emergence of the Aam Aadami Party (AAP) on the political horizon of the country, with an unprecedented youth and civil society activism, needs to be viewed with a bit of caution, in view of the alien influences that had been visible over some of its leaders. The nation was altogether stunned in 2011, when Arundhati Roy, another civil society activist disclosed in a column in the Hindu followed by an interview in the CNN-IBN that some of Anna's team members have been running NGOs, funded by foreign multinational corporations. She alleged in a column in the Hindu on August 21, 2011 - "Kabir, an NGO run by Arvind Kejriwal and Manish Sisodiya, the key figures in Team-Anna have received \$ 4, 00,000 from the Ford Foundation in last 3 years. It was all the more strange that Kejriwal, instead of giving any straight and unambiguous reaction, aroused much suspicion by telling the Firstpost via sms that he had no comment, and instead, asked where is the proof? His asking of proof reflected that probably, initially he had no intention of accepting the allegation that he was receiving funds from abroad for his movements in India. But, when the proofs were given and Ford Foundation too ac-

cepted the facts of funding their NGO Kabir, Kejriwal had no option, except to concede the allegation of receiving foreign funds from the New York based Ford Foundation, through the NGO Kabir, run by him along with Manish Sisodiya. The Ford Foundation's representative, Steven Slonick accepted that Kejriwal's NGO Kabir was being funded by this New York based foundation, since 2005, and last installment was paid till 2010. Slonick disclosed that Kejriwal's NGO was granted \$ 1, 72,000 in 2005 and second it was in 2008 consisting of \$ 1, 97,000. The foundation has clearly admitted that it was given for the work on 'Right to Information Act' campaign of the Kejriwal's NGO. Moreover, Slonick agreed that money was

sanctioned by the Ford Foundation to the Kejriwal's NGO in 2011 as well but, they did not accept it then, stating that they did not require it.

Indeed, it was also by virtue of the Ford Foundation-funded Ramon Magsaysay award that has helped two of the then Anna team members, to got a face-lift in civic movement. Arvind Kejriwal and Kiran Bedi are the recipients of Raman Magsaysay awards. There is no secret in it that the Raman Magsaysay Foundation has been getting funds from Ford Foundation. Ford Foundation has been operating its office in India as early as, since 1952. Earlier it was participating in extension activities with the planning commission of India, and has participated in the green revolution, by promoting chemi-

09/09/2013

India TV >> Kejriwal Admits, His NGO Took Money From Ford Foundation 2 Years Back

Sunday, 8 September, 2013

Kejriwal Admits, His NGO Took Money From Ford Foundation 2 Years Back

New Delhi, Aug 31: RTI activist Arvind Kejriwal has admitted that the NGO Kabir he runs along with Manish Sisodia, did receive funds from the New York-based Ford Foundation, but pointed out that it had stopped about two years ago.

In an interview to Sreelatha Menon Of Business Standard, Kejriwal dubbed as "baseless" the questions being raised about interests of US bankrolling the anti-corruption agitation led by Anna Hazare.

While admitting that Kabir received funds from Ford Foundation two years ago, Kejriwal asked: "How can you linked that to what is being done now?"

"If Ford Foundation is bad, then ban it," he said.



The pink tide of the 'New Global Left' could get strength only after first conference of the WSF convened in Brazil in 2001.

cal intensive farming in India. But, since 1970s the foundation has begun to promote a new breed of 'activist' NGOs, and civil society organizations, engaged in social and political activities. Ever since its establishment, the New Delhi office of the Ford Foundation has made more than 3500 grants, totaling more than \$ 508 million (Rs 3150 crore at today's exchange rate) to nearly 1250 institutions. Their grants are more focused on tribals, dalits and women. It therefore, also requires a scrutiny, that whether these grants are going to the organizations leading confrontationist movements or to those leading movements, integrating people with mainstream polity and society.

Though, Steven Slonick has tried his best, to stress that Ford Foundation was not trying to influence Magsaysay awardees and it was a mere coincidence that some members of team Anna were awardees as well as recipients of grants for their activist activities. The grants given to 'Kabir' are said to be for RTI activities and not for 'India against Corruption'. However, the RTI grants were also for exposing corruption. But, after all the country has to be cautious that what all kinds of activist movements or activities are being bankrolled by various foreign founda-

tions through NGOs in the country, having craze for foreign funds. The government as well as people in the country, should also think over and decide that up to what extent any foreign foundation or organization be allowed to bankroll any movements and policy mediation in the country via distribution of any grants. Even, it has also to be ascertained that to what extent the Indian civil society organizations are under the influence of the pink tide of the New Global Left created and sustained by the World Social Forum (WSF).

It was by virtue of the populist agitations of civil society organizations and the left-inclined NGOs that, leftist governments could be installed in more than a dozen Latin American countries since 1990s. This pink tide of installing left-inclined governments could gain true momentum in the Latin America since 1998, when Hugo De Chavez won elections in Venezuela in the year 1998, followed by Lula da Silva in Brazil in 2002 and so on. The pink tide of the 'New Global Left' could get strength only after 2001, when the first conference of the WSF was convened in Porto Alegre in Brazil, where the labor party of Brazil was in power. The first conference of the WSF was held from 25-

30th January, 2001 and was attended by 12,000 representatives from 60 countries. The second conference of the WSF was also held at Porto Alegre and was attended by 60,000 delegates from 123 countries. The third conference of the WSF was also held in Porto Alegre. There first three conferences were liberally financed by the Ford Foundation which funded the activist activities of the NGO 'Kabir' run by Arvind Kejriwal and Manish Sisodiya in India, the core committee members in the 'India against Corruption' agitation. The fourth convention of the WSF was held in India at Mumbai from January 16-21 in 2004 and was attended by 90,000 delegates from 111 countries. To give this conference a big success, 18 leftist political parties had also issued a joint call. These organizations were as under:

The three Marxist- Leninist Communist Parties from Asia-Pacific region, from India (CPI-ML Liberation, CPI- ML Red Flag) and two Pakistani organizations (Labour Party LPP and PKMP), the New Left Front (Sri Lanka), the DSP (Democratic Socialist Perspective) from Australia, two movements from South Korea (Power to the working class and all together) and the Filipino parties: the Marxist Leninist party of the Philippines (MLPP), the Philippine Workers' Party (PMP) and the Revolutionary Workers' Party-Mindanao (RMP- M). The invitation was signed in Europe by the Left Bloc (Portugal), the United and Alternative Left (Cataluña), the Revolutionary Communist League (France), the United and Alternative Left (Cataluña), the Revolutionary Communist League (France), the Scottish Socialist Par-

ty, the Socialist Workers' Party (Britain) and Solidarities (Switzerland).

Through normally, the new global left keeps distance from the hard core communist parties. Yet, some hard core left groups have also participated in the WSF at Mumbai. These hard core left groups were: Three Brazilian components including Democracia Socialista (DS of the PT), the United States' the International Socialist Organization (ISO), and Solidarity, Canada and Quebec (including the Union of Progressive Forces from Quebec); and from the African continent with South Africa and for Niger the Revolutionary Organization for New Democracy (ORDN). One should also note for Europe and Asia the presence of Communist Refoundation (Italy), the Alternatifs (France), Akbayan and other Filipino movements, and organizations from the Spanish State, Japan and Egypt.

Among the speeches delivered there, those of Arundhati Roy, Medha Patkar, Asma Jahangir, Sameer Amin, etc. were of special mention among a large number of speeches. Arundhati Roy was explicitly vocal in criticizing the Indian army for its role in Kashmir, POTA and the Gujarat Police about the post-Godhra events. The annual conferences of the WSF are an annual feature and the last conference was held in Tunisia in 2013.

The civil society movement in India, has also begun to further consolidate itself after the Post-Ayodhya events. For instance, about 150 civil society organizations including the 'Narmada Bachao Aandolan' of Medha Patkar have formed the National Alliance of Peoples' Movement (NAPM). Some of the civil society



Indian people have to decide to what extent the activist & political movements should be under the influence of internationalism.

organizations have been hyperactive to push for the passage of the controversial communal violence bill.

In fact, the WSF had been a tool to strengthen the pro-left movement worldwide after the disintegration of the USSR. The left activists were scared and often using the phrase 'There is no alternative' (TINA). But after mobilizing worldwide participation in WSF, they began to say 'There Are Many Alternatives' (TAMA). The WSF talks of open space in thinking but sometimes the nationalist and international agendas may have wide divergence. In that case, up to what extent the civil society groups be allowed to be swayed by the international agenda vis a vis the nationalist interests. Such a dichotomy turns into a cleavage, as it become apparent at the time of Pokharan II explosion or in case of Kashmir. WSF has most divergent participation, as in 2011 at the Dacar Conference, the ruling Chinese Communist Party as well as USAID, both had their stalls. In 2013, the conference was held in Arab in Tunisia, where the pro-islam and pro-secularism factions had fully antagonized.

The new global left may have its own convictions. But, Indian people and polity has to decide that to what extent the activist and

political movements in India should be under the influence of internationalism vis a vis nationalist issues and national interests or to be allowed to get swayed from or to run movements bankrolled by extra-territorial organizations like the Ford Foundation or the deliberation at WSF constituting the New Global Left. Especially, because India has many sensitive issues wherein alien activists may have a stand not acceptable by India. For example, the issue of Kashmir is quite sensitive and supporters of AAP party like Prashant Bhushan have explicitly taken stand, though in his personal capacity, but, unacceptable officially by the government as well as by the people of India. In October 2011, he stressed for UN mandated plebiscite, ignoring the fact that a plebiscite cannot be held unless pre-October 1948 situation is restored. If any plebiscite should be held, it should be at all India level. The country is an integral unit with prima facie unitary constitution. Should not AAP, explicitly reject and dissociate from this stand of Prashant Bhushan of holding Plebiscite in Kashmir? In this regard, instead of fragmented and partisan movements, a movement of unitary integration of the country is the need of the hour. □□

Pricing and Prices of Agriculture Commodities



Indian agriculture is turning towards market orientation and more it moves towards world market, more will be the fluctuations in pricing and prices. Consumers may have no option but to adjust their spending and consumptive life lifestyle according to their income and prices, says **Anil Javalekar**

Rising prices of Onions, Tomatoes and Potatoes are in the news and giving sleepless nights to Indian ruling politicians because of the election year. The price rise is not limited to these items but for all vegetables and other agriculture based commodities like sugar and oil apart from food grains and pulses. Price rise is also not limited to agriculture commodities alone but other consumer goods and services including passenger fares of public & private transport. However, the discussion seems more on the price rise of onions and tomatoes and other agriculture commodities and less on the price rise of other manufactured goods and all other services. The price rise pertaining to the goods and services of industrial, manufacturing and

service sector is normally accepted without much hue and cry but the rise in prices of agriculture commodities becomes an issue. Surprisingly, the middle and higher middle class spend less on food items and are ready to pay high price for processed items and consumer durables and still cry for price rise of agriculture commodities. The price rise however, is important mainly because the rise in incomes rarely matches with the rise in prices and this is truer for the class whose income is fixed with no linkages to inflation index. The urban middle and higher middle class need to understand that the price and pricing of agriculture commodities is not that simple as that of manufactured goods or services and commercialization of

agriculture and its globalization has changed the face of Indian agriculture. The prices of agriculture commodities will remain volatile due to domestic constraints on supply and non interventionist approach of government.

The Price rise & its reasoning

Inflation has been the cause of concern and more so the food inflation. Commission for Agricultural Costs and Prices (CACP) has observed that the pressure on prices was more on protein foods (pulses, milk and milk products, eggs, fish and meat) as well as fruits and vegetables, than on cereals and edible oils, especially during 2004-05 to December 2012 (CACP Discussion paper No 4-Taming Food Inflation in India-April 2013). The combined high fiscal deficit of the Centre and States and global inflation are the normal reasons given by experts for price rise. One more reason given for food inflation is rising cost of production and important among is the rising farm wages. Government policies of foreign trade liberalization have also exposed Indian agriculture to international trade and price volatility. There is no denying that the supply of food items with reference to demand is an important aspect to price rise. CACP in its empirical



analysis showed that there is faster response of prices of food articles to domestic shocks (be it monetary or weather). The prices will go up if bottlenecks persist on the supply-side. Government policies and its administrative responses are thus very much important to ease these bottlenecks. The bulk purchasers and stock holders are important players in the supply chain and quick and firm action against black marketers is one solution.

Indian Agriculture is different

India is a geographically large and second most populous country in the world and has more arable land (about 53% of total) compared to many countries including USA and China and its irrigated land is about 35% of total agricultural land. Indian agriculture sector is thus dependent on monsoon and major portion of cultivable agriculture land falls under dry land or rain fed farming. More than 60% of important agriculture produce comes from this monsoon based land. Its cultivable land is mainly of small holdings (65%) and more than 85 % farmers are small and marginal. Moreover, the size of land holding is uneconomic and is declining. India is also a land of villages where 70 % of its population resides and where livelihood conditions are poor with no infrastructure worth the name. This agriculture sector contributes little (14%) to the Indian GDP but provide livelihood to most Indians. More than 50% of India's labour force is also engaged in this sector.

Agriculture problems affect pricing and prices

Indian agriculture is an important sector of Indian economy and faces many problems right from

Indian agriculture is an important sector of Indian economy and faces many problems

vagaries of Mother Nature to uneconomic land holding and low production /low productivity to arbitrarily fixing of prices of agriculture produce to over exploitation of agriculture sources to marginalization of small farmers and their suicides. Agriculture may probably be the only sector where prices are not fixed by producers but by traders and processors. The variable production and productivity, increasing cost of input and machinery and its supply constraints, lack of storage facilities, market manipulations by middlemen, traders and processing industry and above all changing price and foreign trade policies of government are some of the problems of agriculture sector that affect pricing and prices of agriculture commodities. Moreover, the seasonality and perishability are important characteristics of agriculture production apart from waste during harvest, storage and transport.

Agriculture production increased so per capita availability

It is true that Indian agriculture has progressed and diversified after independence so much that India became the largest producer of milk, jute and pulses, second largest of rice, wheat, sugarcane, cotton, groundnuts as also fruit and vegetables. The production of vegetables for example increased from 12 mt in 1950-51 to 156 mt in 2011-12 and fruits from 10 mt

to 76 mt during the same period. The per capita consumption has also increased. The increase was about 1.3% in consumption of fruits and vegetables during the period 1990-2005. Between 2001 and 2011, per capita availability of vegetables increased from 236 gms/day to 350 gms and fruits from 114 gms to 172 gms. Indians now produce & consume more fruits and vegetables than rice & wheat. The policy support, production strategies, public investment in infrastructure, research and extension for crop, livestock and fisheries have significantly helped Agriculture sector to grow satisfactorily.

Indian Agriculture Price Policies were protective

Indian Government intervened almost in every aspect of agriculture sector since independence and its agricultural Price Policies tried to protect the interest of farmers and consumers. Government's Input subsidies and market price support apart from buffer stocking operations influence the Pricing and prices of agriculture commodities. The economic reforms of 1991-92 onwards, however, have brought a big change in India's domestic and foreign trade policies and that has affected the prices. The establishment of Agricultural Prices Commission (APC, later renamed as CACP) and the Food Corporation of India (FCI) in January 1965 were two important initiatives of Indian government. The CACP was mandated to recommend minimum support prices (MSPs) and FCI was to provide an effective floor price by procuring grain at MSP. NAFED also came in to existence in 1985 to provide price support operations for pulses and oilseeds. The

CACP is required to convey its recommendations to the Government well before the sowing season of the crop so that the Union Government announces Minimum Support Prices (MSPs) for important agricultural commodities. CACP recommends MSPs for about 23 commodities, which comprise 7 cereals (paddy, wheat, maize, sorghum, pearl millet, barley and ragi), 5 pulses (gram, tur, moong, urad, lentil), 7 oilseeds (groundnut, rapeseed-mustard, soyabean, sesamum, sunflower, safflower, nigerseed), and 4 commercial crops (coppa, cotton, raw jute and sugarcane). The MSPs are important and influence the pricing and prices of agriculture commodities.

Rising cost of agriculture cultivation is a major factor

The increasing cost of cultivation is one important factor that increased prices of agriculture commodities. The factors affecting the cost of cultivation are many times the nature and the local weather aberrations like frost, abrupt rise in temperature, heavy rainfall, hailstorm etc. The Factors like shrinking water table and rising energy cost to lift and take water to the fields is also important. Then, the cost of Manures and fertilisers as well as pesticides affects the cultivation costs. Above all, different farm practices, size of the operated area, importance given by farmers to particular crop in a particular year often give rise to variation in input use, their costs and productivity.

The CACP considers the cost of production of agricultural crops and recommend MSPs to the Government. Rising costs thus led to increase in MSPs. For example the MSP recommended and fixed for wheat has increased from



Indian commitments to WTO will minimize govt. interventions in future.

Rs 700/750 in 2007-08 to Rs 1285/1350 in 2013-14. In the case of Tur dal (Arhar), it increased from Rs 1550 to Rs 3850/4300 for same period. Rise in Input cost as well as rise in farm wages is important factor that influenced the price rise. CACP study showed that the nominal farm wages have grown at a rate of 9.68% between 1995-96 and 2011-12 and close to 17.5% per annum during 2007-08 to 2011-12. Even for the crops that are not covered by MSPs, the cost of cultivation is rising. For instance, the cost of cultivation of Onion per hector in Maharashtra increased from Rs 20378 in 1996-97 to Rs 45793 in 2003-04. The cost of fertiliser and manure almost doubled during the period whereas the cost of irrigation has increased about 78% and the interest cost on working capital by 90%. The cost of potato per hector in Bihar increased from Rs 20330 to Rs 37675 during the same period. The cost increase was almost four times in fertiliser and manure and irrigation and interest charges doubled during the same period. (Cost of Cultivation of Principal Crops in India, Directorate of Economics and statistics, GOI, MOA 2007).

Indian agriculture will follow world price trend

Indian agriculture is changing and becoming more commercialized. Even small and marginal

farmers are investing in agriculture and taking cash crops to cater to the needs of growing market so as to earn more. Value addition and quality apart from processing are the part of supply chain and are added to the cost. The modern storage facilities and serving the available distant markets for high earning also became important. Moreover, the Globalization and integration of Indian agriculture trade with that of world trade are forcing Indian agriculture to be competitive. Indian commitments to WTO and international community will minimize government interventions in future and will free the agriculture trade leaving pricing and prices of agriculture commodities to the markets. In the circumstances, Indian consumers may have to pay higher prices for quality agriculture commodities including vegetables and fruits. The commercial production asks for remunerative prices for the products and the system of fixing price just to cover cost of cultivation through MSPs and policies of export import tariffs will have limited impact. Indian agriculture is turning towards market orientation and more it move towards world market, more will be the fluctuations in pricing and prices. Consumers may have no option but to adjust their spending and consumptive life lifestyle according to their income and prices. □□

Saving Western Ghats for Posterity



Development lobbies and their henchmen are actively engaged in creating scare among the local populace exaggerating the unsubstantiated and imaginary recommendations of the K. Report. The Central Government is also not very serious about protecting the Western Ghats Ecology, finds **Prof. B.M. Kumarswamy**

The term Western Ghats refers to the chain of mountains spreading along the western coast of the Indian peninsula. It starts from the River Tapthi in Gujarat and moves in the north south direction continuously up to Kanyakumari in the south. It is broken at only one point near Palakkad in Kerala. It is called the Palakkad Gap. The length of the Western Ghat is about 1600 kilometers and width is about 100 kilo meters. Thus the total spread of Western Ghats is 1,60,000 sq km. The Western Ghats is spread over six states namely, Gujarat, Maharashtra, Goa, Karnataka, TamilNadu and Kerala. 60% of Western Ghats lies in Karnataka. Western Ghats is classified into two parts, namely North of River Kali and South of River Kali. The Northern part of Western Ghats is characterised by flat

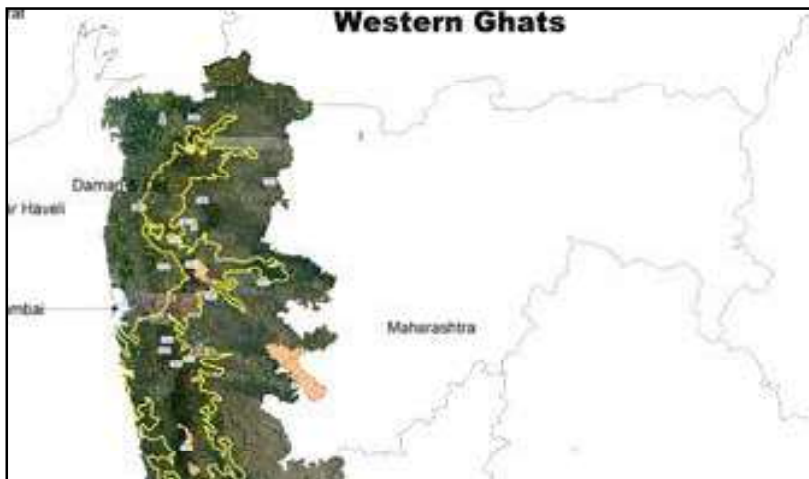
tops and less dense forests, whereas the southern part has lofty peaks and dense forests. The highest peak is Anai Mudi-2695 meters, in Kerala. Some of the other lofty peaks are Dodda Betta-2637 metres, Vellarimala-2200 meters, Mullaiana Giri-1950 meters and Kudremukha - 1894 meters.

The Western Ghats play a very crucial role in getting good monsoon rains during June to September. The average rainfall in the Western Ghats is 2500 millimeters. In some areas the rainfall exceeds 8000-10,000 millimeters. The Western face of Western Ghats gets more rainfall compared to the Eastern face. The Western Ghats boasts of dense forests of various types, such as Tropical Evergreen forests, moist deciduous forests Dry Deciduous forests Shola forests and so on. As a result of the

dense forests and heavy rain fall, almost all rivers of South India take their origin in the Western Ghats. Western Ghats is the birth place of the Three major East flowing River systems namely, Krishna and its tributaries, Tungabhadra and its tributaries and Kaveri and its tributaries. These three major River systems are the major source of water for the entire South India. They are providing drinking water for the people and other creatures, irrigation for agriculture, Water for the industries and hydro power projects and so on. 37 West flowing Rivers such as Sharavathi, Kali Aghanashini, Nethravathi and so on, also take their origin in the Western Ghats. They have been the main source of Hydro electricity for the southern states. As such the Western Ghats are described as the WATER TANK of South India.

Bio-Diversity Hotspot

The Western Ghats is world famous for its rich bio-diversity. There are 34 bio-diversity hot spots all over the world. Of them 2 are in India. They are Eastern Himalayas and Western Ghats. Of the 34 bio-diversity hotspots, 8 are identified as Hottest Hotspots. The Western Ghats is identified as one of the Hottest of Hotspots. 4000 species of flowering plants are found in the Western Ghats.



Of them 38% are endemic, in the sense that those species are found only in the Western Ghats and nowhere else in the world. Similarly 330 butterfly species are found and 11% is endemic. 288 Fish species-41% endemic, 220 amphibian species-78% endemic, 225 species of Reptiles-62% endemic, 500 bird species -4% endemic and 120 mammal species-12% being endemic are also found in the Western Ghats. Moreover the Western Ghats boasts of the largest global population of Asiatic Elephants, Tigers, Wild Dogs and Gaur. This high degree of endemism has earned the Western Ghats the coveted rank of HOTTEST OF Hotspots.

Further, the Western Ghats is the treasure house of more than 2000 identified medicinal plants. It is a matter of pride for us that the U.N. has identified 39 spots of the Western Ghats as World Heritage Sites.

Conservation of Western Ghats

Over the last 60 odd years of our independence, on account of, the destructive development model of the West,, that we have been following, such as construction of massive hydro power projects, mining, construction of polluting and forest based industries, rapid urbanisation and so on, considerable extent of the Western Ghats is severely damaged irretrievably, putting the southern states in to severe water and other resource stresses.

With a view to save at least the remaining part of the Western Ghats and its ecology, before it is too late, The Ministry Of Environment and Forests (MOEF) appointed The Western Ghats Ecology Expert Panel on 4th March 2010 for recommending measures for the conservation, protection



and rejuvenation of the Western Ghats and its ecology. Its Chairman was the world renowned environmental scientist and ex Chairman of the Centre for Ecological Sciences Bengaluru, Dr. Madhav Gadgil. The W.G.E.E.P. submitted its Report in 2011. However for the reasons best known to it the MOEF rejected the Gadgil Committee Report and appointed a High Level Working Group on Western Ghats (HLWG) under the chairmanship of Dr. K Kasturi Rangan ex chairman of ISRO, and presently a member of The Planning Commission, on 17th August 2012. Its mandate was to review the recommendations of the Gadgil Committee Report. The H.L.W.G. submitted its Report on 15-4-2013

Madhav Gadgil recommended that the entire Western Ghats should be declared as Ecologically Sensitive Area (E.S.A.). However, depending upon the ecological sensitivity of different areas he classified the Western Ghats area in to three Ecological Sensitive Zones (ESZ) namely ESZ1, ESZ2 and ESZ3. ESZ1 is very high sensitive zone, ESZ2 is high sensitive zone and ESZ3 is normal sensitive Zone. He recommended various conservation measures keeping with the ecological sensitivity of the differ-

Western Ghats is the treasure house of more than 2000 identified medicinal plants.

ent zones. It was a well balanced Report between conservation and development prepared on the basis of widespread democratic consultation with all stake holders especially the grass root institutions such as the grama panchayats. Still the MOEF rejected the Report under the pressure of the Mining and such other lobbies.

The HLWG or the Kasturi Rangan Committee Report has finally been accepted by the MOEF. At the outset it may be noted that the Kasturi Rangan Report (K.report) is a highly watered down version of Gadgil Report which is made acceptable to the Government. K.Report classifies the entire Western Ghats area in two parts namely Cultural Landscape and Natural Landscape. Cultural Landscape refers to areas where population density is high, large polluting industries are already working and forests are thin and highly fragmented. 63% of the Western Ghats area comes under Cultural Landscape. It does not

deserve any conservation efforts. Natural Landscape is that part where population density is less and forests are denser and less fragmented. 37% of the Western Ghats-about 60,000 sq.km area is placed in the Natural landscape. Only this area deserves conservation efforts. Further the 37% natural landscape includes the already protected areas such as Wild life Reserves, National Parks, U.N. Heritage sites and elephant corridors. All these amount to about 10% of the Western Ghats area as per the Report. Thus K. Report recommends conservation efforts in only 27% of Western Ghats.

Village is being taken as the unit of Ecologically Sensitive Area. (ESA).Totally 4156 villages in the 6 Western Ghats States are classified as ESA villages.90%of the ESA villages are found in only Two states namely Maharashtra and Karnataka. Kerala which is vehemently protesting against K. Report accounts for only 3% of the ESA villages. (123)

Banned Activities

Sand mining, quarrying and all other mining activities are totally banned in the ESA villages. Existing mining activities are to be closed down on the expiry of license or 5 years whichever is earlier. Highly polluting 45 Red category industries such as thermal electric plants, Oil refineries, Copper smelting units, chemical Fertilisers and pesticides manufacturing plants and so on cannot be established.

Building complexes of more than 20,000 meters and townships of more than 50 Hectares cannot be constructed.

However there is no suggestion of evacuating people from the ESA villages. In fact the K. Report rec-

Gadgil panel report, a roadmap for Western Ghats conservation

Union Rural Development Minister Jairam Ramesh has described the Gadgil panel report on the Western Ghats as the "roadmap" for conservation of the ecologically-sensitive hills and hoped it could be resurrected for a "dispassionate debate" once the heat and dust of the next Lok Sabha elections settled. Speaking at a function to present a Degree of Doctor (Honoris Causa) — conferred by the Central University of Odisha, Koraput — to Prof. Gadgil, the Minister said the report had been put aside without a proper public debate. Whatever little debate there was on the report, he added, had been "hijacked by a few political voices who had a vested interest."

The new Environment & Forests Minister M. Veerappa Moily has decided to put on hold the final notification of the Ecologically Sensitive Area (ESA) covering 59,940 square km of the hills to elicit comments of the chief ministers of the six affected states on the recommendations of the High-Level Working Group — chaired by K. Kasturirangan — on the Western Ghats.

Prof. Madhav Gadgil — who has on record criticised the Kasturirangan Report — had been appointed by Mr. Ramesh during his stint at the Environment & Forests Ministry to head the Western Ghats Ecology Expert Panel to assess the status of the Ghats and demarcate areas to be notified as ecologically sensitive.

Hailing Prof. Gadgil as a "Gandhian" and an "Arvind Kejriwal long before we had discovered Kejriwal," the Minister said: "I still feel that the Gadgil panel report is the roadmap, the blueprint. It is not the last word. It should be discussed at gram panchayats, zilla parishads, vidhan sabhas."

Referring to the controversy the two reports generated — particularly in Kerala which saw violence over the issue — Mr. Ramesh said that much of the apprehensions stemmed from ignorance and deliberate/mischievous misreading of the recommendations. "Had we been more open and more pro-active, perhaps much of this confusion could have been avoided."

According to Mr. Ramesh, the purpose of setting up the Gadgil panel was to draw up a roadmap for ecological sustainability consistent with the needs of livelihood security and economic growth to meet aspirations of the people; particularly the youth. □

ommends that Gram Sabhas should be consulted on all matters of development in the ESA villages.

It is unfortunate that the Western Ghat state Governments have not taken any measures to provide the summary of K. Report and its recommendations to their people and local institutions in their local languages. They have also not taken any measures to educate their people regarding the actual implications of K. Report on their lives and their development aspirations. On the contrary development lobbies and their henchmen are very actively engaged in these states in creating scare among the local populace exaggerating the unsubstantiated and imaginary recommendations of the K. Report.

The Central Government is also not very serious about protecting the Western Ghats Ecology on the recommendations of the K. Report. The Fact that it has succumbed to the pressures of the Kerala politicians and withdrawn the Notification it issued last month and promising to further water down the conservation measures recommended by K. Report, strengthens our suspicion

At this rate even the existing ecological wealth of The Western Ghats would be soon destroyed in the next 10-20 years. Is it not our responsibility to save the Western Ghats for our ecological security and sustainable development? Should we not protect the Western Ghats for our posterity? □□

He was a man with a mind of his own



RC Majumdar's work of history had a genre of its own. It was varied, continental & epochal, all at the same time. He refused to toe the official line, writes **Dr. Anirban Ganguly**

What Arnold Toynbee and Will Durant have been to the study of civilisation and history in the West, Ramesh Chandra Majumdar, or RC Majumdar, is to the study of Indian history. One of those rare and prolific historians who was equally at ease discussing India's contribution to the creation of civilisations as well as describing political intricacies of the Indian freedom movement, RC Majumdar, whose 125th birth anniversary passed unnoticed this December 4, continues to face general neglect and deliberate omission.

Majumdar remained the quintessential historian who could never toe the official line. "I have not hesitated to speak out the truth, even if it is in conflict with views cherished and propagated by distinguished political leaders", he had said. It were views such as these which made him the target of the Nehruvian establishment and compelled a historian of his calibre and insight to chart out a lonely path.

His frank assertion that "the official history of the freedom movement" started "with the premise that India lost independence only in the eighteenth century and had thus an experience of subjection to a foreign power for only two centuries" while the "real history" taught "that the major part

R.C. Majumdar

of India lost independence about five centuries before, and merely changed masters in the eighteenth century", saw him being sidelined by the purportedly mainstream historical establishment in India which was and remains dominated by historians of the Marxian mould.

Majumdar's work, however, had a genre of its own — varied, continental and epochal. Starting off his journey into the historical discovery of India with a classic account of classical India and a masterly description of corporate life in ancient India, Majumdar ended his story of the history of India with a monumental three-volume history of the freedom movement in India. It was one of the few histories of the development that gave the early Indian rev-

olutionary nationalists their dues by recognising their galvanising role and by assigning them their rightful place in the story of India's struggle for freedom.

The long period in between saw Majumdar undertake some of the most fascinating historical studies of the age. His contribution to the study of the spread of Hindu civilisation in Southeast Asia, through his masterly *Ancient Indian Colonies in the Far East* (1927), put him in the league of legendary greats such as Suniti Kumar and Bijan Raj Chatterjee, George Ceodès, Kalidas Nag and Nilakanta Sastri.

A genuine pride based on deep study animated Majumdar's discussion of the spread of Indian civilisation in the archipelago.

[Continued on page no. 31]

Parties must state their position on rising inequality



Inequality is increasing beyond the point of sustainability. Incomes of the masses are stagnant or increasing marginally, while incomes of the rich are increasing very rapidly. Increase in inequality is an integral part of the present development model, finds Dr Bharat Jhunjunwala

Political parties are vying with each other to present a pro-poor face in the ongoing elections. The Congress is rightfully claiming that MNREGA and Food Security Act have provided much relief to the poorest of our people. The BJP is promising 12 instead of 9 LPG cylinders every year. AAP, BSP and SP are all contesting on a pro-poor plank which is all welcome. The main issue today, however, is not of poverty. The main issue is that of inequality which has increased beyond socially sustainable levels.

Certain degree of inequality is necessary for the growth of any species. The bees will not grow if all bees are reduced to the same level of equality. None will be able to become queen bee and procreation will come to an end. Or, the tribal society has collapsed because it was too equal. The division of labour required for making guns—miner, smelter, chemist, etc.—was not possible in an equal society. As a result they could not stand up to the invaders armed with guns. The unequal won against the equal.

On the other hand, inequality becomes a destructive force beyond a certain point. Lions of the herd will be starved if the King Lion were to eat away all the meat. The lone surviving King too would hardly be able to hunt and survive



on his own. Mankind has likewise both accepted certain degree of inequality; but also ensured that the upper classes do not capture all the resources. At the same time mankind has discarded equal distribution. Man will be reduced to a primitive existence if the resources are distributed equally. Every man will spend all his time growing food and weaving cloth and have little time left to make spacecrafts or computers. A particular level of inequality is best for the growth and survival of any species.

The immediate problem is that inequality is increasing beyond the point of sustainability. Incomes of the masses are stagnant, or increasing marginally, while incomes of the rich are increasing very rap-

idly. The difference of income between the street corner shopkeeper and his employee would be, say, 10 times. The shop keeper may earn Rs 50k per month and pay a salary of 5k to his employee. The situation is dramatically different in the case of Wal Mart. The annual profits are USD 16 Billion whereas the average salary of the employee is USD 24k. The difference is 600,000 times. This happens because globalization has enabled owners of Wal Mart to earn profits from across the world. Profits tend to increase with expansion of technology. The employee, on the other hand, has to compete with others workers from across the world. Hence wages tend to decline with the integration of the world econ-

omy. This is leading inexorably to an unprecedented increase in inequality in our society. This is not the first time this is happening though.

Inequality has increased throughout history. The productivity of labour increased many-fold consequent to the introduction of iron tools in ancient Greece. Those technological developments were no less exciting than those of the internet today. It was also an era of globalization with Alexander's empire stretching across Asia. But did it lead to an increase in the wages of the common man? No. J D Bernal writes in his seminal work *Science in History*: "The beauties of the Greek cities, temples, statues and vases blind us to the fact that the way of life for most people in civilized countries at the fall of the Roman Empire was much what it had been 2,000 years before when the old bronze age civilization had collapsed." Technological developments of the Iron Age and globalization a la' Alexander brought no improvement in the conditions of the Greek labour.

The historical precedent has another lesson for us. Leaders of that ancient empire were not able to reduce inequality. The slaves were disillusioned. They had an emotional disconnect with the leaders. Thus, they sided with the Berbers when they attacked Greece and the Grand Empire was reduced to dust. The British Empire was moving in the same direction in the nineteenth century. The leaders, however, saw the impending danger and brought in a spate of laws to reduce the length of work day, ensure payment of minimum wages and other similar measures. That ensured peace in England. The same British Empire could not



Increase in inequality is an integral part of the present development model.

secure improvement of the living conditions of the people in India and was thrown out from here. The lesson is clear. The leaders will survive only if they are able to establish some sense of equality and secure loyalty of the common man. The society collapses if the common man is disenchanted.

This has been described by historian Arnold J Toynbee in *A Study of History*. He says that a civilization grows as long as the leaders pay attention to the welfare of the common man and obtain support of masses by their policies. Such leaders he calls 'Creative Minority'. On the other hand, civilizations decline when the leaders impose policies on unwilling masses. Such leaders he calls 'dominant minority'. Breakdown of civilizations takes place because the rulers instead of creatively leading the masses, try to dominate them.

We may be approaching precisely such a breakdown despite reduction in absolute poverty. The increasing inequality is creating social instability and dissonance. In fact, the poverty reduction programs have empowered the people to raise the issue of inequality. A poor man who cannot get two meals a day is unlikely to get agitated about inequality. One who has his stomach full is more likely to react. And this agitation is in-

creasing along with the increase in inequality in our society.

Four out of 100 richest persons in the world live in India. Nearly half of the poor of the world also live here. It is this widening of inequality that lies behind the Chhattisgarh massacre. British NGO Oxfam has calculated that wealth of the hundred richest persons has increased by Rs 13k crores in the last year. Each of the poorest 100 crore peoples of the world would get Rs 13k if only the increase in their wealth were to be distributed.

The so-called welfare measures such as MNREGA and Direct Benefit Transfer have failed to mitigate this increasing inequality. These measures are welcome. They provide relief to the poorest people. But these are predicated on an increase in inequality. Taxes are collected out of the higher profits earned by the rich and used to provide these welfare measures. Therefore, increase in inequality is an integral part of the present development model.

The voters must ask the political parties not about poverty reduction but about measures they would adopt to contain rising inequality. Unfortunately, all parties are silent on this which indicates that they are comfortable with inequality. This will not do. □□

Exposed! Shunned for LIC, selected for IRDA



*The person who, according to the very same Ministry of Finance, was found unfit to head LIC in 2011, was found to have a “splendid track record” in 2013 and fit enough to head not only LIC but regulate the entire insurance industry, detects **M.R. Venkatesh**.*

A person who was found unsuitable for being the Chairman of LIC and was to be demoted – yes demoted – to the post of Managing Director of LIC. That was in view of the “pending vigilance clearance,” and consequently TS Vijayan could not be accommodated even in a position of managing Director and the only option was to revert him to the post of Executive Director or Zonal Manager. Well that was in April 2011.

Yet, despite all this in January 2013, the Finance Minister finds him to have a “splendid record”! Wonders never cease with the UPA, do they?

“On 3/7/2008, the Chairman, LIC had written to the IRDA confirming that the investment

management system as mandated by the IRDA is fully in place. Based on this confirmation by the Chairman, LIC, the IRDA has granted certain exemptions in different categories of the investment portfolio. However, it is amply clear that the confirmation by the Chairman, LIC of the system being in place was false and totally incorrect.”

Well this was a part of a stinging communication from the then Chairman J Hari Narayan of the Insurance Regulatory and Development Authority [IRDA] on January 25, 2010 on the performance of TS Vijayan, the then Chairman of LIC.

Shocked?

Subsequently in 2011 the Appointments Committee of the Cab-

inet, with the approval of “the then FM” was constituted to take stock of the performance of TS Vijayan, the then Chairman of LIC.

Para 3 of a secret note [No A-15011/02/2010-Ins.1] prepared by the Ministry of Finance states: “In view of the decision taken by the Assessment Committee we may call for the meeting of the selection committee to interview all eligible candidates to select a new chairman of LIC.”

Para 4 of the said note goes on to add: “Further, since Shri Vijayan has been left with more than one and half years of service before he superannuates from the services of LIC, it is to be decided to revert him to his substantive post which he was holding at the time of appointment as Chairman, LIC.”

In fact, not only is the Ministry of Finance in 2011 apparently suggesting that the Government of India must scout for a new Chairman “based on available records” but also is clearly of the opinion that TS Vijayan was to be demoted.

Surprised?

Well the best is yet to come. In a handwritten note dated January 3, 2013, Finance Minister P Chidambaram, while considering three shortlisted candidates for the



post of Chairman of IRDA, goes on to write, "I have carefully considered the names. I am also aware of the work and experience of the three shortlisted candidates. The learning curve in the insurance industry — and specifically so for the Regulator — is steep: Among the three candidates, the best candidate will be TS Vijayan who has vast experience and a splendid record. We may select TS Vijayan." Yes the very same Vijayan who, according to the very same Ministry of Finance, was found unfit to head LIC in 2011, was found to have a "splendid track record" in 2013 and fit enough to head not only LIC but regulate the entire insurance industry!

Stunned?

Understanding the 'splendid record'

Now let us examine the splendid record of TS Vijayan. As already pointed at the outset, in a communication dated January 25, 2010, the then Chairman of IRDA J Hari Narayan to the Chairman of LIC TS Vijayan brought about stinging comments on the investment management systems within LIC. Further, the communication notes: "The valuation of a given portfolio is wrong and is not based on market prices but is based on the book value of the scrip thus giving a wrong picture of the value of the portfolio" and added "LIC has violated exposure norms as earlier mandated in 1958 and as subsequently amended by the IRDA in 2008." Splendid Record indeed!

Interestingly, these comments are not to be dismissed as mere innuendoes by IRDA against LIC or its chairman. Neither is it a case of personal rivalry between IRDA chairman on the one hand and the

LIC chairman on the other.

This letter was written by the then IRDA in his capacity as the sentinel and regulator of the insurance industry was the culmination of an audit of the Investment Risk Management Processing Systems of LIC of India carried out between December 21 and 24, 2009.

Crucially, in a damning conclusion, the IRDA chairman concludes, "This has serious implications on solvency."

Yet the Finance Minister himself talks of a "splendid record"! Remember, in any insurance company — solvency is the crucial issue. When that is challenged, obviously it constitutes "serious inadequacies" in the functioning of LIC.

The vigilance angle

At the core of the issue is the gargantuan corpus — currently in excess of Rs 13 lakh crore — available for investment with the LIC for investment. Needless to emphasise, this constitutes the premium collected from various policyholders over the years.

Further, IRDA, as the regulator of the entire insurance industry, regulates a massive fund size in excess of Rs 22 lakh crore that belong to the policy-holders of various insurance companies including that of LIC. And because of the mammoth liabilities that the insurers assume in respect of life covers and non life insurances of the citizens and commercial entities of this nation, the safekeeping and prudent investment of such funds are of paramount importance.

It is in this connection Section 4 of the IRDA Act, 1999 provides for the appointment of a chairperson (and members) "by the Central Government from amongst persons of ability, integrity and

TS Vijayan was "reportedly investigated" by the CBI on the recommendation of the CVC.

standing who have knowledge and experience..."

Obviously, a closer examination of the track record of TS Vijayan will be in order. It may be noted TS Vijayan was appointed as Chairman of LIC for a period of 5 years from May 3, 2006. Importantly, his tenure was "allegedly" marked by financial scandals in which TS Vijayan was "reportedly investigated" by the CBI on the recommendation of the CVC.

The issues of such scandals were published in Punjab Kesari on August 1, 2011 and November 5, 2011. It may be noted that in the said newspaper's August 1, 2011 edition carried a headline which, when roughly translated into English, meant 'CBI enquiry begins on Vijayan, the darling of Chidambaram'.

The enquiries centered around the housing loans given by LIC and on investments made by it when TS Vijayan was at the helm of affairs in LIC.

Simultaneously, the Deccan Herald in its July 29, 2011 edition, reported that the CBI was carrying out an enquiry on Vijayan for "allegedly exposing the funds of LIC by investing in IPOs of companies which are against the investment policies of LIC. Some of the companies are Shahid Balwa's DB Realty, JSW Energy and JP Infratech."

RTI applications filed with the LIC to obtain a copy of the report submitted by the CBI to LIC

of India has been repeatedly stonewalled by LIC citing the “personal information clause” under provisions of Section 8 of the RT Act. How the functioning of LIC or its chairman can be stonewalled is indeed a billion-dollar question.

Similarly, in response to an RTI application filed on the action taken in the news items published the Ministry of Finance in its reply, conceded that “no action” has been taken on such news published.

Captivatingly, in yet another RTI application made to LIC, the life insurance giant refused to part with investment details made by it (including write-offs) claiming such information is “commercially sensitive” and “making them public is not mandated by IRDA.” And in conclusion it states that the “Corporation makes investment in accordance with Insurance Act and

IRDA Regulations.”

Yes the very same regulations that the IRDA chairman claims in his communications dated January 25, 2010, to have been flouted with “serious” implication. It does not require a seer to state that either the LIC or the IRDA is right — not both.

Finally, a reference once again to the secret note of the Ministry of Finance mentioned above in connection with the appointment of TS Vijayan is necessary. Para 6 of the note inter-alia states: “Once he was appointed as the chairman, LIC, for a period of five years, this recommendation of ACC [appointing him as MD] was rendered infructuous. In case it is decided to revert back TS Vijayan to MD level, fresh approval of ACC is to be obtained which is not expected to come in view of the pending vig-

ilance clearance to him. Thus the option available is to revert Vijayan to the ED/ ZM-level post in LIC w.e.f 3-5-2011.”

In short, a person who was found unsuitable for being the Chairman of LIC and was to be demoted — yes demoted — to the post of Managing Director of LIC. That was in view of the “pending vigilance clearance,” and consequently TS Vijayan could not be accommodated even in a position of managing Director and the only option was to revert him to the post of Executive Director or Zonal Manager. Well that was in April 2011.

Yet, despite all this in January 2013, the Finance Minister finds him to have a “**splendid record**”! Wonders never cease with the UPA, do they?

(To be concluded)

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Cross Media Ownership - A Threat to Vibrant Democracy



Promoting news of other group industries either directly or surreptitiously has become more a rule than exception. The line between objective journalism and promotion of group industries has blurred, finds Shivaji Sarkar

India has been debating the issue of cross-media ownership for the last over 60 years. However, it is only now that it is being raised by Telecom Regulatory Authority of India (TRAI) at the behest of the Ministry of Information and Broadcasting for the first time.

In fact, TRAI in its paper expresses limitation on checkmating cross-media ownership. Rather, softly it has given it up. TRAI Chairman Rahul Khullar said the regulator would, with the help of the Competition Commission of India (CCI), attempt to ensure that there are a minimum number of mergers and acquisitions. A consultation paper will spell out restrictions, make mandatory disclosure requirements, spell out levels of

market share which will ensure plurality and diversity, list general disqualifications, recommend how cross media ownership can be dealt with, set rules for disaggregated markets, and ensure minimum mergers and acquisitions

The Indian Media and entertainment industry is estimated at about Rs 1052 billion and is growing by the day. Apart from the monetary value, the industry is important as it can influence opinion in political domain and trends in business. Groups owning a cross section of media have the capacity to tilt the balance in their favour though the industry does not accept it.

Veteran journalist Paranjy Guha Thakurta says the sheer number of media organisations and

outlets often conceals the fact there is dominance over specific markets and market segments by a few players – in other words, the markets are often oligopolistic in character. The absence of restrictions on cross-media ownership implies that particular companies or groups or conglomerates dominate markets both vertically (that is, across different media such as print, radio, television and the internet) as well as horizontally (namely, in particular geographical regions).

It is also well-known that political parties and persons with political affiliation own/control increasing sections of the media in India. There are two kinds of such newspapers or channels. The one which are known to be published by political parties while others are published as independent papers or run as independent channels but show a marked tilt in favour of the owner's political preference.

There are a few instances where the promoters have used the profits from their media operation to diversify into other unrelated businesses. These are the issues that need to be addressed to strengthen the democratic principles. But even TRAI guidelines are not so specific.

The credibility of news has always been an issue. But despite





The press in the Indian subcontinent developed precisely for awakening of the masses.

concerns about it, the Nehru government did not do much to control varied interests of newspaper owners. It was debated often. Everyone stressed on the merits of having a free press. Many agreed that when a newspaper owner has varied interests to serve, it compromises with news publication.

Journalism evolved in India over a long period since the first newspaper, Bengal Gazette and Calcutta Advertiser of James Hickey, was published in 1780. Journalism took a new turn in the history of the sub-continent and the Indian press gradually reached a stage where it could begin to influence the country's economics, politics and culture. Here we are talking of a period when the Indian press was confronted with the might of British imperialism in whose domain the sun never set, as was the common refrain.

The press in the Indian subcontinent developed precisely for awakening of the masses in the pre-independence era, pitted against colonialism and imperialist tyranny. Marx had also commented in 1853, while discussing about the probable results of British rule in India, that this was the first time a free press, owned by the common inheritors of Indians and Europeans, had originated in Asiatic societies, and it would become

a new and powerful instrument of India's regeneration. In so far as the first half of the 20th century is concerned, the press played precisely this role in the sub-continent.

However, here we must bear in mind that the evolution of the press took place in the subcontinent on a totally different line after the country's independence and partition in 1947. The Press Commission, formed under the chairmanship of J.S. Rajyadhyaksh in 1952, thus drew attention to this aspect in the first part of its report, submitted in 1955.

He wrote, "Formerly, most of the Indian Press had only one objective and that was political emancipation of the country. Most of the journalists of that era were actuated by fervent patriotism and a feeling that they had a mission to perform and a message to convey. Political emancipation having been achieved, the emphasis has shifted and the newspapers are no longer run as a mission, but have become commercial ventures." (Press Commission, p. 482).

In the same report, the Commission also commented that now the big newspapers, in particular, either kept mum on important occasions or hesitated from leading the public opinion, because they have to take care of certain business interests; they moved very cau-

tiously and they had to act on the orders of the powers-that-are.

Therefore, "some of them are partisan in the presentation of news in respect of the financial interests with which they are allied; there is a certain timidity to expose courageously the shortcomings of those who are in a position of power and authority; there is a tendency to suppress facts which are unfavourable to their own interests or to the financial interests with which they are associated", Press Commission noted.

It was precisely this press which the late V.K. Krishna Menon, an important member of Jawaharlal Nehru's Cabinet, had dubbed as "the Jute Press". The term originated as in early independent India most of the press was owned by jute industry barons and was used to further their own interests. There was another that was called "steel press" being owned primarily by the steel industry owners like the Tatas. The Mahalonobis Committee, which developed the Second Five-Year Plan of the country, also made very trenchant criticism of the role the press played in the concentration of wealth in a few hands.

The Commission found that there was a great deal of scurrilous writing often directed against communities or groups, of indecency and vulgarity and personal attacks on individuals. It also noted that yellow journalism was on the increase in the country and was not particularly confined to any area or language. The commission, however, found that the well established, newspapers on the whole, had maintained a high standard of journalism.

It remarked that whatever the

law relating the press may be, there would still be a large quantity of objectionable journalism, which, though not falling within the purview of the law, would still require some checking. It felt that the best way of maintaining professional standards of journalism would be to bring into existence a body of people principally connected with the industry whose responsibility would be to arbitrate on doubtful points and to ensure the punishment of any one guilty of infraction of good journalistic behavior. An important recommendation of the commission was the setting up of a statutory Press Council at the national level, consisting of press people and lay members.

The Second Press Commission was appointed on May 29, 1978 under the Chairmanship of PC Goswami. Later KK Mathew became the Chairman and submitted its report in 1982. The Second Press Commission wanted the press to be neither a mindless adversary nor an unquestioning ally. The Commission wanted the press to play a responsible role in the development process. It opined that the press should be widely accessible to the people if it is to reflect their aspirations and problems.

The question of urban bias too received attention of the Commission. The Commission said that for development to take place, internal stability was as important as safeguarding national security. The Commission also highlighted the role (and, therefore, responsibility) of the press in preventing and deflating communal conflict.

The recommendation of the First Press Commission for the first time provided the idea of what a responsible press should be.

The Second Press Commission formulated in a clear manner that development should be the central focus of the press in a country, which is building itself to become a self-reliant and prosperous society. The Commission declared that a responsible press could also be a free press and vice versa. Freedom and responsibility are complimentary but not contradictory terms, it said.

The Press Commissions recommended that newspaper industries should be separated from industries and commercial interests. It also recommended that newspaper industries should be relieved from the impact of foreign capital.

Much of it remained on paper. In 1955, the cabinet agreed on restraining foreign capital in newspapers but it was relaxed in 2000, which allowed 26 per cent foreign equity in newspapers but it ordained that the Editor has to be an Indian.

Does it make much of a difference? If we go by the First Press Commission, it does not. It noted that even in early 1950s, there was decline in the status of the Editor particularly in daily newspapers.

It has only accentuated as some papers like Times of India sometime back had even stopped giving the name of the Editor in their publications. In many newspapers, editorial control is being taken over by the advertising and managerial functionaries.

Promoting news of other group industries either directly or surreptitiously has become more a rule than exception. The line between objective journalism and promotion of group industries has blurred.

(to be concluded)

[Continued from page no. 23]

He was a man with a mind of his own

He saw this period when Indian colonies came up in the Far East as the "high-water mark of maritime and colonial enterprise of the ancient Indians". His work, *Study of Sanskrit in Southeast Asia*, exhibited a similar depth of feeling when it began with the assertion that "the most interesting aspects of Indian culture is the deep impact it made upon the growth and development of culture in a large part of the continent of Asia which may not be unfairly compared with the civilising influence of ancient Greece over the rest of Europe."

But perhaps the high water mark in Majumdar's own career came when he joined hands with KM Munshi to produce the massive, 11- volume *History and Culture of the Indian People*. A Herculean attempt to evolve an alternate perception of India, the work remains unparalleled. Even here Majumdar was bold enough to call for a different approach to the study of Indian history, when he wrote, "...it would be difficult to maintain that the 4,000 years of pre-Muslim India, of the history and culture of which we possess a definite knowledge... should rank in importance as equal with that of the Muslim period of about 400 or 500 years, or the British period of less than 200 years." □□

Babu Genu Martyrdom day observed

Swadeshi Jagran Manch Mumbai organised a function to pay tribute to Martyr Babu Genu who sacrificed his life in the cause of Swadeshi. Led by Shri Vivek Agrawal, members of SJM Mumbai paid floral tribute to Shaheed Babu Genu.

Shri Satish Rishbud narrated in detail how Shaheed Babu Genu bravely stood before the trucks carrying British textile and gave his life stopping the

trucks from leaving the godown. This happened at Kalbadevi area of Mumbai on 12th Dec. 1930. His sacrifice awakened the spirit of Swadeshi. Thousands joined his funeral the next day. Stalwarts like Kanaiyalal Munshi and Jamnalal Bajaj participated in the funeral.

SJM Mumbai has also decided to reprint the booklet published on martyrdom of Babu Genu. □

MOU on Cooperation in Competition Laws

Competition Commission of India (CCI) and the Directorate General for Competition of the European Commission (DG, Competition) have signed a Memorandum of Understanding on Cooperation in the Field of Competition Laws. The MoU was signed during the ongoing 3rd BRICS International Competition Conference at New Delhi by Mr Joaquin Almunia, Vice President for Competition, EU and Mr. Ashok Chawla, Chairman, CCI.

The MoU provides for enhancement of the effective, transparent and non-discriminatory enforcement of the competition laws in the European Union and India. The two Sides have agreed to exchange non-confidential information, experiences and views with regard to (a) Competition policy and enforcement, (b) Operational issues, (c) Multilateral competition initiatives, (d) Competition advocacy and (e) Technical cooperation initiatives in the area of competition law and its enforcement.

MoU provides for assistance to be provided between two Sides wherein on the request of one Side that may believe adverse impact of competition of its territory on account of action by the other Side, the other Side shall initiate appropriate enforcement activities as per their applicable competition law.

CCI and DG, Competition, European Commission shall also take steps to minimise any potentially adverse effects of one Side's enforcement activities on the other Side's interests in the application of their respective competition laws.

Rice export scam: CBI probe blocked

The government has refused permission to CBI to probe senior officials supposed to be involved in rice export scam, exposing yet again its discretionary power to disrupt criminal investigations. This probably is the single largest number of officers getting away from criminal investigation in a single sweep. At

least half a dozen of the suspect officials are of joint secretary and above rank, while the total number under scanner is about 20 in three different public sector units. By denying permission to the agency the government has ensured peaceful burial to the scandal in which high-level political links was suspected.

Rice was exported to some African countries in 2008-09 despite ban on non-basmati rice export. The ban resulted in Indian domestic prices falling while international prices shooting up. Immediately after the ban, 22 'needy' African countries were exempted from it, and some of these countries strangely sent request for rice from specific private suppliers.

Barak I Missiles, Cleared

Defence Acquisitions Council (DAC) has cleared acquisition of Barak I missiles and two diving support vessels meant for rescuing sailors from disabled submarines for Rs 1,500 crore. The Rs 300 crore purchase of 41 Dhruv advanced helicopters, manufactured by Hindustan Aeronautics Ltd (HAL), was also cleared as per reports.

With the Defence Minister clearing the Barak-I missiles deal with Israel one of the major operational challenges that is air defence cover to ships including the newly acquired aircraft carrier INS Vikramaditya may be resolved. Given dire need for intrinsic air cover with the naval fleet the lack of Barak I had led to an operational void that is now set to be restored. The project for developing Barak II however remains in a limbo and it may be some time before this will fructify with the joint development between Israel and DRDO facing a number of challenges.

Air defence is one of the neglected areas of Indian military capability with the army and the air force ground defence capabilities remaining restricted. The Air Force joint project with Israel for MRSAM is also delayed due to problems faced by the Defence R & D agency and Israeli development firms.

Net profit of pvt cos having FDI declines

Profits of private companies having foreign direct investment declined by about 22 percent during 2011-12 to Rs 444.24 billion on higher outgo for interest payment, according to RBI data. "Steep rise in interest payments in 2011-12 resulted in decline in net profit (PAT)," RBI said in a release. In its data on finances of non-government non-financial foreign direct (FDI) companies, RBI audited annual accounts of select 766 companies which closed their accounts during April 2011 and March 2012. The data pertains to the companies engaged in manufacturing, services and others. The sales of these companies increased by 18.1 percent to Rs 8,762.99 million during 2011-12, the data showed. The sales growth of FDI companies belonging to services sector improved

in 2011-12 over that in the previous year, while it declined for those in the manufacturing sector, RBI said.

Sales of manufacturing companies rose by 16.9 percent in 2011-12, versus a growth of 19.4 percent in 2010-11. For services sector, the sales were higher in 2011-12 with a growth of 18.7 percent from a growth of 16.8 percent in the previous year. Also, earnings before interest, tax, depreciation and amortisation (EBITDA) for the manufacturing sector declined in 2011-12, whereas for the services sector, EBITDA growth registered an increase. For manufacturing sector, EBITDA declined by 22.4 percent in 2011-12 from a rise of 7.5 percent in the previous year. While for services sector the EBITDA was at 11 percent in 2011-12 from 4.8 percent in 2010-11. □

Native cancer screening device launched

India launched its first indigenously developed device for screening and early detection of cervical cancer, which kills over 74,000 women in the country every year. Launching the low-cost "AV-Magnivisualiser" device developed by Indian Council of Medical Research (ICMR), Union Minister for Health and Family Welfare Ghulam Nabi Azad said it will help in early detection of cervical cancer among adolescent girls and women, thus helping in save many lives.

Designed and developed at Institute of Cytology and Preventive Oncology (ICPO), Noida, working under ICMR, the device will cost about Rs 10,000 and is much lower as compared to the cervical cytology method used at present in medical colleges, the equipment of which costs over Rs 8 lakh. Cervical cancer is a leading cause of cancer deaths among women in most parts of developing world. In India, cervical cancer is the commonest malignancy among women. The current estimates indicate that approximately 1.32 lakh new cases of such cancer are diagnosed and about 74,000 deaths occur annually, accounting for nearly one-third of global cervical cancer deaths.

Modernisation of State Police Forces

The Scheme for Modernization of State Police Forces (MPF Scheme) has been extended for a further period of five years with effect from the financial year 2012-13 to 2016-17, with funding partly under Non-Plan and partly under Plan. The items required by the State Police under mobility, weapons, equipment, training equipment, forensic equipment are

funded under Non-Plan. The construction/upgradation of police stations/outposts, police lines, police housing, forensic science laboratories and training infrastructure, construction of buildings are funded under Plan budget.

Under the Scheme, an allocation of Rs. 8195.53 crore has been approved under Non-Plan and Rs.3750.87 crore under Plan during the XII Plan period (2012-13 – 2016-17). In the current year, outlay for MPF Scheme is Rs.750 crore under Non-Plan and Rs.1097 crore under Plan. Mega City Policing in six cities namely, Ahmedabad, Mumbai, Chennai, Hyderabad, Kolkata and Bengaluru has been approved as a sub-set under Non-Plan component of MPF Scheme.

Rising legal costs stump pharma companies

During the past couple of years, the Rs 72,000-crore Indian pharmaceutical industry has been at the receiving end of a backlash from global and Indian regulators. Apart from damage control to its brand image, the legal expenditure of major Indian drug makers has seen a steep hike. According to data from company annual reports, the legal expenditure of the top 10 drug makers in India has gone up on an average anywhere from 30 to 300 per cent in the past three years.

In a double-whammy of sorts, this comes at a time the industry is experiencing a slowdown in growth, largely attributed to the new drug pricing policy and the regulatory interventions. Legal experts feel that the globe-trotting pharma industry's legal expenses are set to balloon further. □□

Chinese language centre in Gilgit

The first ever Chinese language centre established in Gilgit by the Chinese government in collaboration with the Gilgit-Baltistan (G-B) education department will begin enrolling students from January 2014.

Set up inside the Gilgit High School building, the initiative of the G-B Chinese Overseas Association is meant to broaden the human resource base between the two countries. Stressing a number of people would benefit from the facility, Rahman added, "When someone is visiting China for any reason, language is the biggest barrier to effective communication."

The official insisted the skill of knowing Chinese would be of immense importance in the future, referring to the proposed railway track project meant to increase the volume of trade between the two countries. He added a number of Pakistanis from G-B have sought admissions in Chinese universities for higher education and the centre could benefit them too along with local businessmen involved in trade with China. This the first project of its kind in G-B. A similar programme was announced by Karakoram International University in 2011, but it never materialised. □

China eases one-child policy

China's top legislative committee formally approved a loosening of the country's hugely controversial one-child policy and abolished re-education through labour camps, state media reported. The decisions were taken by the standing committee of the National People's Congress, China's rubber-stamp parliament, at the conclusion of a six-day meeting, according to Xinhua news agency. The widening of existing exceptions to the one-child policy will allow couples where either parent has no siblings to have two children, reforming the strict family planning policy imposed more than three decades ago to prevent overpopulation in the world's most populous nation. The abolition of re-education through labour, known as laojiao, will see existing inmates freed, Xinhua said. Their remaining terms will not be enforced any more, it quoted the NPC resolution as saying.

China argues its one-child limit kept population growth in check and supported the country's rapid development that has seen it soar from mass poverty to become the world's second-largest economy.

New generation centrifuges in Iran

Iranian nuclear chief has said the country is developing a new generation of centrifuges for uranium enrichment. The Islamic republic currently has 19,000 centrifuges and is developing a new generation of centrifuges which needs all kinds of tests before operation, reported Xinhua citing Ali-Akbar Salehi, head of the Atomic Energy Organization of Iran (AEOI).

Iran is among the countries that are able to implement the full process of nuclear fuel production cycle, he said, without providing further details on the new generation of centrifuges.

Iran and six world powers signed an interim deal

in November, under which Iran agreed not to operate its new centrifuges for six months. The deal, however, did not forbid Tehran from researching on developing new centrifuges. In August, former AEOI chief announced that Iran had about 18,000 centrifuges, 10,000 of which were operating. Enriched uranium can be used to build a weapon if it is enriched over 90 per cent. However, at lower levels, it is used to power nuclear reactors.

China media for Retaliation

China's state media has urged "excessive" counter-measures after Japanese Prime Minister Shinzo Abe's inflammatory war shrine visit, as analysts warned against the dangers of provoking smouldering regional resentments. The comment came after China summoned Tokyo's ambassador to deliver a "strong reprimand" after Abe paid respects at the Yasukuni shrine. The site honours several high-level officials executed for war crimes after World War II, a reminder of Japan's 20th century aggression and a source of bitterness for China and other Asian countries.

South Korea, which also has a litany of historical resentments against Japan, slammed Abe's visit as "anachronistic behaviour." And the US issued a rare criticism, saying it was "disappointed" over an act "that will exacerbate tensions with Japan's neighbours". The Global Times, a paper that is close to China's ruling Communist Party, said that people were "getting tired of... Futile 'strong condemnations'".

NSA's phone surveillance is legal

The heated debate over the National Security Agency's bulk collection of millions of Americans' telephone records fell squarely into the courts when a federal judge in Manhattan upheld the legality of the

Immigration fears spark political firestorm in Britain

They're portrayed as pickpockets who will steal British jobs, too. Newspapers and politicians fear a wave of immigrants will come to Britain to beg, the unruly young ones will stir up riots, and some will even try to sell babies.

For months, Britain's tabloids have repeatedly warned of the horrors they believe will ensue after Jan 1, when work restrictions will be lifted across the European Union for migrants from Romania and Bulgaria - two of the trading bloc's newest members. Those changes, the papers claim, will surely unleash

a mass exodus of the poor and unemployed from the two eastern European countries to Britain.

The alarming stories about a possible Romanian and Bulgarian influx, and a government scramble to tighten welfare rules, are part of the latest chapter in an increasingly bitter debate about Britain's immigration policies and its uneasy relationship with the EU. Right-wing politicians have won over voters by arguing that foreigners, particularly eastern Europeans, are flooding Britain's job market with cheap labor and exploiting the country's benefits system. □

program and cited its need in the fight against terrorism just days after another federal judge concluded it was likely not constitutional.

The ruling by U.S. District Judge William H. Pauley III and an opposing view earlier this month by U.S. District Judge Richard Leon in Washington D.C. sets the stage for federal appeals courts to confront the delicate balance developed when the need to protect national security clashes with civil rights established in the Constitution.

Justice Pauley concluded the program was a necessary extension of steps taken after the September 11 terrorist attacks. He said the program lets the government connect fragmented and fleeting communications and "represents the government's counter-punch" to the al-Qaeda's terror network's use of technology to operate decentralised and plot international terrorist attacks remotely.

Rollbacks for US gains in Afghanistan

A new US intelligence estimate predicts that gains the United States and allies have made in the Afghanistan war in the past three years will be significantly rolled back by 2017, even if some US troops remain, the Washington Post reported, citing officials familiar with the report.

The National Intelligence Estimate also predicts that Afghanistan will quickly fall into chaos if Washington and Kabul fail to sign a security pact to keep an international military contingent there beyond 2014, the newspaper said. The pact must be signed for the United States and its allies to provide billions more dollars in aid to the impoverished country. The newspaper cited officials who have read the classified report, which includes input from the 16 US intelligence agencies, or were briefed on its conclusions. However, the newspaper said some officials felt the report on the poten-

tial outcome of the longest war in US history was overly pessimistic and did not take into account progress made by Afghanistan's security forces.

'NSA spies on Europe-Asia cables'

The US National Security Agency (NSA) has collected sensitive data on key telecommunications cables between Europe, north Africa and Asia, German news magazine Der Spiegel reported citing classified files.

Spiegel quoted NSA papers dating from February and labelled 'top secret' and 'not for foreigners' describing the agency's success in spying on the so-called 'Sea-Me-We 4' undersea cable system.

The massive bundle of fibre optic cables originates near the southern French city of Marseille and links Europe with north Africa and the Gulf states, continuing through Pakistan and India to Malaysia and Thailand. Der Spiegel has over the last several months reported on mass NSA spying on targets in the US and abroad using files provided by fugitive leaker Edward Snowden.

Putin warns 'terrorists' face total destruction

President Vladimir Putin warned "terrorists" saying they face total destruction, after Russia was hit by double suicide bombings in its southern city of Volgograd that claimed 34 lives.

Putin made the comments in a New Year's address from the Far Eastern Russian city of Khabarovsk, which is seven hours ahead of Moscow and where he met with victims of devastating summer floods. Curiously, his New Year's address that was broadcast earlier to the inhabitants of Russia's furthest flung time zones of Magadan and Kamchatka did not mention the Volgograd attacks. □□

Commitments on new WTO trade deal

Trade ministers of the member-states of WTO have committed to publishing all importation, exportation and transit procedures at points of entry, applied rates of duties and taxes, fees and charges by government agencies associated with import and export. Also, all rules for classification and valuation of goods for Customs purposes, penalty provisions for breach of Customs procedures, procedures for appealing Customs decisions, agreements with any countries relating to importation, exportation and transit and quota administration procedures.

Member-states have further committed to make much of this information available online, where possible, in one of official languages of the WTO. And, to provide opportunity for stakeholders to comment on proposed regulations related to the movement, release and clearance of goods prior to implementation of such rules. All WTO members including India are now committed to issue advance rulings, upon request, regarding the classification and origin of goods to be imported into their territory.

Manipulations produce 'Bali Package'

The WTO's Bali Ministerial Conference concluded a day later than scheduled on 7 December 2013 with agreement on a package of issues claiming to streamline trade. The Bali Package is a selection of issues from the broader Doha Round negotiations. Echoing calls from many delegations, Mr Azevêdo, said members' attention should now turn the rest of the round, known semi-officially as the Doha Development Agenda. The deal on the Bali Package was struck after intensive consultations almost round the clock, followed by overnight meetings of heads of all delegations the following night. During those final critical hours, almost all members said the package should be adopted in full, even if they were not completely happy with some parts of it.

They said the package was needed because of the benefits it would give directly, but also because it would reinvigorate the WTO and its trading system, and provide the momentum to conclude the Doha Round, which was launched in 2001 and has seen little progress since 2008 until work intensified on the Bali Package this year.

However a group of countries including Cuba, Bolivia, Nicaragua, Venezuela, recorded serious reservations about what they considered to be imbal-

ances in the package in favour of richer countries, and the absence of provisions barring discrimination in the form of trade embargoes on goods in transit.

Iran asks India to open banking channels

Iran has asked India to quickly reopen banking channels if it wanted to shore up bilateral trade, especially purchase of Iranian oil. Iran's industry minister Mohammad Reza Nematzadeh told reporters after meeting Indian commerce minister Anand Sharma on the sidelines of the WTO summit in Bali. This is the first minister-level meeting between the two sides after Teheran struck a compromise deal with the US and five other superpowers on its nuclear programme.

India is second-largest buyer of Iranian crude, which accounts for the bulk of the bilateral trade volume. Trade between the two countries stood at \$15.8 billion last year. Oil shipments accounted for \$13.27 billion. Expressing hope that the Indian federal bank would address the issue, the Iranian minister said New Delhi should deposit the 55% unpaid bill for oil imported from Iran in euros with a bank in a third country.

Cabinet approves India's stand at WTO

The Cabinet approved the stand taken by India at the recently concluded WTO meeting in Bali. "The Union Cabinet today approved the stand taken by India at the Ninth Ministerial Conference of the WTO held in Bali," an official statement said.

At the Bali meeting, it was decided that the outgo towards farm subsidies in developing countries, including India, will not be challenged in the WTO until a permanent solution is reached on the issue.

During the conference, attended by Commerce and Industry Minister Anand Sharma, ministers of 159 countries agreed on a decision that provides for an interim period of protection to public stockholding programmes for food security in developing countries from being challenged in the WTO if they exceed the support limit. It also provides that the WTO members must agree on a permanent solution on this issue for adoption by the 11th Ministerial Conference of the World Trade Organization.

Further, since most of India's demands and concerns were appropriately addressed in the Trade Facilitation Agreement, India endorsed the proposed pact, the statement said. The agreement was aimed at reducing transaction cost for trade by simplifying customs procedures. □□