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Multiple Colours of Swadeshi Enthuse Punjab

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We the People of India

I will like to congratulate people of India in general and that of Delhi in particular for their exemplary behavior during Common Wealth Games. It was an unexpected demonstration of discipline, patience and responsibility. Before the games everyone was expecting chaos and mayhem on Delhi roads. We never believed that any Delhite will respect CWG lane on roads particularly in morning and evening rush hours. But it was heartening to see total reverse of what was predictable.

This has revealed the well known but hidden facet of the people of India. There is no doubt that Indian public is greatest resource that any country in the world will be proud of. Our problem is the people at top, the fact also visible in abundance in mismanagement of the mega event. Corruption is also being patronized at highest levels. It is time the people of India rise to the occasion and take charge of the situation and force government to behave properly and manage the country appropriately also. Good behavior to save the honour and dignity of the country at a time of emergency is laudable. But allowing emergencies to happen is unwanted.

– Anil Gupta

Rajendra Place New Delhi

Inciting Secessionism

A whole host of people who unfortunately are entitled to call themselves as Indias are preaching secessionism in J&K openly. Government as usual is a mute spectator issues excuse ridden statements only. Why shall we not file cases against those who don't respect our Constitution. Some opinion says this will give us bad name internationally. I fail to understand when will we be upright and care a foot for international community? China used Tanks on innocent students in Tinamenan square. How any of us remember that? Pakistan, Iran Afghanistan and Myanmar are regularly accused of un civilized behaviour yet people conduct business with them. Wikileaks exposed unacceptable behaviour of USA. But has any thing changed there? Why India only has to care so much?

– Pravesh Goel

Sonepat, Haryana

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Quote-Unquote



It is unfortunate that Manmohan Singh is placing distorted facts before the people and seeking to blame the NDA Government for the failure of Central agencies.

Nitish Kumar

Chief Minister of Bihar



In a democracy, the right to secede cannot be accepted in the garb of right to free speech..

Arun Jaitley

Leader of the opposition, Rajya Sabha



Motilal, Jawaharlal, Indira Gandhi, Sonia and now Rahul Gandhi... A new babua has come. Somebody writes on a paper and he reads it out.

Sharad Yadav

JD (U) President



The Left is still banking on the concepts and theories of the 1940s.

Prakash Karat

CPI (M) General Secretary

Barak Obama's India visit

US President Barak Hussain Obama is coming to India. He will be landing in the country on Diwali night, by the time this magazine will probably be in your hands. Enthusiasm is in air, expectations are on rise, but fears have not disappeared altogether. This no doubt is one of the most important visit by any head of the state. Therefore, the excitement can't be wished away. Diplomatic rhetoric and symbolic gestures are alright but what will ultimately matter is tangible progress on a wide range of pending issues. The success of the visit will consequently, be judged by the major outcomes that emerge from it. Impact of Indo-US relationship is not confined to the two democracies only. Implications are also significant for regional situation as well as global trends, both emerging as well as established. With such an important visit on cards it is natural to have a look on the issues that are expected to dominate the discourse at official level during this high profile visit. Union Defense Minister A K Antony met with United States Defense Secretary Robert Gates at the Pentagon recently. the American Enterprise Institute -- that often reflects the views of the powerful military-industrial complex -- issued a strategic briefing paper saying among other things that 'India and the United States are uniquely suited for strategic partnership.' It has also argued, 'both harbour growing anxieties about China's increasing military power and regional assertiveness.' 'Both are acutely aware of the threat from Islamist terrorist networks, and share concerns about the effects of violent extremism on the long-term stability of Central and South Asia'. The paper acknowledged 'India is also a rising power, eager to develop a military with global reach,' and urged that 'this is an ambition that the United States can and should help India realize'. India certainly is a rising power. Its economy is expanding and in the process driving global economy as well. India is also under a serious threat from forces inimical to its very existence. We are living in a very troubled neighbourhood. Extremist elements are taking control over state apparatus in Pakistan. Even the so called moderate leadership of Pakistan loses no opportunity to undermine Indian interests. Ambitious China is not only helping anti India regimes and non state actors but is actually encircling the country from all sides. Nepal, Bangladesh, Srilanka and even the high seas are being used to ferment trouble against India. Chinese troops are now illegally but nevertheless enduringly stationed in POK. India thus certainly needs to build capability of its defense forces to protect its national interests. But Indo-US relations are not and can't be unifocal or unidirectional. The relationship has to be broad based, mutually beneficial and most important on the basis of fair play and justness. In that sense the relations between the two democracies are evolving and have already gained certain amount of maturity. Absence of hype over such an important visit, one hopes, is the clear indication of the realism that has dawned over the 'natural allies'.

In spite of the positive vibes emanating from respective governments there are issues over which the differences are wide open. President Obama for example has been in forefront to lead the misinformation campaign against US companies practising outsourcing, disregarding their compulsions to do so to retain their global competitiveness and ignoring the thousands of jobs that Indian companies have created in the US. He is repeatedly making provoking statements against Indian brands like Infosys and Indian students doing well in education sector outsmarting US counterparts. Increase in costs of HIB and LIA visas to finance increased surveillance of the US-Mexican border, issue of patents protection, FDI in retail trade and defense services, continuance diversion of arms and funds supplied by USA to Pakistan, Nuclear Liability Act and similar other issues agitate people in this country. Permanent seat in expanded security council of UN is also an issue that will determine how Obama rates India in the future world. Yes it is up to the leadership of this country to represent the aspirations and expectations of Indian population. But what president Obama speaks will also be watched carefully by all. Any relationship based upon double speaks and differential standards can't last long. It is in the interest of America as much as it is for India to see that they forthcoming visit proves to be an healthy step in the direction of long lasting camaraderie.

Multiple Colours of Swadeshi Enthuse Punjab

Deepak Sharma “Pradeep” reports about the impressive 10th National Convention of SJM held in Jalandhar (Punjab)



As you might know that the 10th National Convention of the Swadeshi Jagaran Manch was held in the historic Doaba College, Jalandhar (Punjab) on 2nd 3rd and 4th October 2010. In total 770 karyakartas hailing from 149 districts of the country participated in it. Three resolutions were passed during the Convention. First was on the issue of agriculture titled “Save Farming Save Country”, second was on FDI in Retail issue, & third on the issue of Price Rise. All the three are available on net on our website www.swadeshionline.in and if there is any difficulty we can send you by email as well. We should keep in mind the comments of Sh. Arun Ojha at the concluding session of the convention that when Karyakartas were boarding their trains, there was alarm, and uncertainty in the atmosphere due to Ayodya verdict and assumed consequent fall outs. He appreci-

ated that everybody proceeded fearlessly on their way to Jalandhar. In all there were 13 sessions in the three days and the climax point was the public meeting, which Sh. Ojha ji declared as really inspiring and a morale booster. The number of youth and their enthusiasm was marvelous. Content-wise too, the convention was highly appreciated. Let us succinctly have a bird's eye view of the 13 sessions. Other than this, let us also know that on 1st Oct in the morning a meeting of the Resolution Committee and Ayojan Samiti, and in afternoon meeting of Rashtaryia Parishad was held as per schedule.

Inaugural Session

Sh. Krishan Sharma, the organizer of the Convention welcomed all. A renowned environmentalist and a saintly figure of Punjab Sant Balbir Singh Seechewal inaugurated the Convention, and General Secretary of Reception

Committee, Sh. Sharad Aggarwal delivered the welcome note. Saint Balbirsingh lamented that in Punjab where selling of milk was considered a sin, now water is sold in packaged bottles, and also threw light on the sad plight of farmers by saying that potato is purchased at the rate of Rs. 2 per KG from the farmers and is sold at Rs. 12 in the market. He also gave a brief picture of reviving and cleaning of a holy river, Kali Bei, and the way people co-operated in this good cause once the initiative was taken by him. Let us remind that former President APJ Abdul Kalam personally visited this project and appreciated it whole-heartedly. Sh. Arun Ojha in his inaugural address recounted the events of the previous year just like BT Brinjal, Copenhagen, and Geneva meeting of WTO and presented the annual report before the House. He quoted Arvind Ghosh ‘India is facing a

Resolution-1

Save Farming - Save Nation

India is witness to a strange paradox of spiraling inflation on food items and simultaneously farm suicides. Theoretical economics allows the government to rationalize, though not justify, the existence of either of the two phenomenon – high inflation or depression in the farm sector. While the prices of farm produce seem to be beyond the reach of the common man it is indeed a challenge to economists to explain why farmers are not the ultimate beneficiaries of the elevated farm prices. It is beyond doubt that future trading in agricultural commodities has been the basic reason for food inflation.

The poor and vulnerable people better known as the AAM ADMI have been a victim of this gross mismanagement of the economy. Studies conducted by multi-lateral agencies as well as independent Indian agencies suggest that all is not well on the food front in India. Today, India ranks as one of the most vulnerable nations on the food and nutritional security as India's per capita food consumption continues to spiral down (ie from 418 gms per day in 1971 to 375 gms now) when compared to the global average as well as her Asian peers. The neglect of the farm sector is reflected in another form as well – increase in farm suicides especially in the last decade.

SJM clearly believes that both the above are a direct consequence of the fall in food production caused by a direct neglect of our farm sector. The SJM has been repeatedly pointing out to this paradigm of subsidence level of food production and distribution as the conclusive evidence of the faulty economic policies pursued by successive governments since independence. The SJM is of the view that the farm sector remains completely neglected under the New Economic Regime (NEP). In the past two decades since the onset of liberalization capital formation in the farm sector has declined, yields have shown less than marginal increase, area under agriculture have diminished while area under irrigation seems to have reached a plateau. While under the ostensible plea of fiscal correctness public sector has refrained by making investments to the farm sector including irrigation, the private sector expectedly has not yet stepped up investments into the farm sector. Before liberalization period 27% off public sector capital formation used to be on agriculture including irrigation, which has come down to merely 5% now. The net result of all this is that the contribution of the farm sector to the national GDP has virtually halved from more than thirty percent in the early nineties to only 14.6 percent in 2009-10. Agricultural commodities produced by our farmers are simply getting rotten due to lack of ware housing & cold storages. Neglect of agriculture is also getting reflected in lack of investment in ware housing infrastructure as well. Investment in warehouses and coldstorages, upgradation of land, irrigation and raising the water table should also be treated as infrastructure investment.

The SJM also noted that while the input costs have escalated reflecting the overall rise in prices in economy, the farm output at the farm gate level has not shown any significant increase. Further, commercial banks have now turned to chary of lending to the farm sector. The SJM regrets to note that vehicles purchased by agri multinational companies have been classified by the banks as farm credit. While this has the calculated effect of improving the aggregate farm credit, the fact of the matter is that there is no significant improvement in credit to the Indian farmer.

The SJM suggests that our production should be increased to 350 million tons from the present level of 230 million tons ie an increase of about 50% in the shortest possible time. Simultaneously the procurement should also be increased to 50 million tons. The increase in production along with increased production in allied sectors like fertilizer, seeds etc will improve the purchasing power of the rural population substantially.

The SJM further demands thorough review of land acquisition policy. Acquisition of fertile agricultural lands for SEZs or other non agricultural purposes like Vedanta continues unabated. So far above 3 lac hectares of land has already been taken out of agriculture & given for non agricultural usage. In fact need of the hour is to increase the cultivable land to increase the agricultural production. The Land Acquisition Bill 2010 in its present form fails to address any of these issues.

Proliferation of Terminator seeds is also adding to the woes of the farming community. With success limited to certain some pockets, that too for a short period, it is cited as one of major reasons for the mass suicide cotton farmers of the Vidharba region.

In these circumstances this national of the SJM demands:

1. Immediate steps, including provision of finance, to increase food grains production to 350 million tones and procurement to 50 million tons
2. End to the practice of acquisition of farm lands for non agricultural purposes and through review of the proposed Land Acquisition Amendment Bill 2010.
3. Complete ban BT technology without giving any scope to MNCs like Monsanto the manipulate the traditional seeding pattern.
4. Water for every farm, that is, universal irrigation be made national objective to be achieved in the next 5 years.
5. Declare minimum support price (MSP) for all agriculture commodities.
6. New seed be ammended to incorporate protection of the farmers interests.
7. Forward trading in agricultural commodities be banned with immediate effect.
8. In view of the nation wide flood farmers be suitably compensated. □



Long view Yatra

flood of so-called modern thinking, and an onslaught on its culture by a mighty civilization which is diametrically opposed to its indigenuous thinking and we have to find a solution to it.’

Special Reports

The following **Seven special reports of agitations run or sponsored by local SJM units** were also presented in brief. The agitation and Yatra by SJM AP regarding the miserable condition of weavers in Maidak district and the ensuing relief provided by different agencies. Second was regarding Anti-Vedanta University Agitation launched by SJM Odisha and the third was again by SJM Odisha regarding Rengali river where water was not given to a particular area. The fourth was West Bengal SJM standing by the side of potato growing farmers in some districts. A front with the name of Aloo Chasi Manch was formed to organize this agitation. Fifth, Ajay Patki ji described the agitation against BT Brinjal in Nagpur. The sixth report was from Himachal Pradesh and an agitation sponsored by SJM was going on against

formation of SEZ in Gagret area of Una district. Seventh was described by Sh. Ashwani Mahajan that Anti-APMC ACT programmes were held in Delhi and Jabalpur, wherein large number of traders participated. Similarly **Five special organizational reports** were also presented. Sh. Nambi ji described the special efforts being done to popularize the Indian Business Model and Indian Economics being prepared by Sh. Gurumurthy and delivered in lecture form in various Managements Institutes of Tamil Nadu. He told that one University has adopted this syllabus too. Sh. Mukul Ranjan described the special efforts done to spread the special program: Let us go the villages. Jitender Mahajan described the success-story of subscription campaign for enrolling 3000 members of Swadeshi Patrika in Delhi. Smt. Renu Puranik described the Women cell's All India conference in Delhi. Sh. Davendera Vishwakarma told about the special efforts for mobilizing youth in Swadeshi programmes. Fifth special description was by Rajesh Upadhyay regarding forming active village-wise units of SJM in all the

villages of three blocks of Godda district of Jharkhand. **Two other organizations also described** the efforts being taken to popularize Swadeshi movement. Sh. Lakshmi Narayan Bhalla of Vidya Bharti narrated that Swadeshi Convenors are being appointed at the Sankul level and some others similar decisions which were taken in 6-7 June 2010 in Bhopal. Similarly Sh. Jitendra Gupta apprised of Laghu Udyag Bharti's efforts in this regard.

Special session on FDI in Retail

Besides adopting a Resolution to this effect a special session was held to delve deep into this issue of FDI in retail and arrival of giant MNC retail groups like Wal-Mart. Sh. Ashwani Mahajan and Prof. Kumaraswami described in detail the different aspects of this new onslaught on Indian retailer and the resultant monopoly of organized retailers. Sh. Ashwani ji criticized the so-called survey report presented by ICRIER on the basis of which the FDI policy is framed as a sham report, A country-wide agitation is needed to pressurize the government, they concluded.

Present Economic Scenario presentation by Sh. Bhagwati Prakash Sharma

Explaining the paradoxical situation due to economic globalization, on the one hand there is glittering development and on the other there is a dismal inequality, poverty and hunger. Blatant example is that even after 19 years of globalization, there has come the need to create an artificial employment in the form of NREGA like 84 schemes. Our government is not only shirking away from its responsibilities in the field of essential services as education, health, roads

Resolution-2

Ban entry of Multinational Companies in Retail

3.5 crore people in the country engaged in the retail, along with another 1.5 crore in subsidiary activities, are facing a big threat to their existence. These 5 crore people whose livelihood depends on, what is called unorganized retailing, are facing this threat due to change in policy proposed by the government by allowing opening up foreign investment in retail. The Government of India issued a Discussion Paper on July 6, 2010 expressing its intent to open up foreign investment in the multi-brand retailing.

It is well known that this would mean allowing all multinational companies like Wal-mart, Tesco, Carrefour, Marks and Spencers etc., to open their stores in India. In our country size of the general stores generally varies between 50 square feet and 200 square feet. Most retail traders do not even have their shops and are forced to carry out their business on pavements, on rehri, Khomcha etc. and in the process face lot of hassles, harassment and exploitation. But due to lack of any alternative employment avenues they somehow earn their bread from retail business.

Even the government support in terms of credit, marketing, warehousing is also inconspicuously absent. These people do not have option of any alternative source of employment. On the other hand stores of multinational companies are huge sized, one lakh square feet or even more. Under one roof they sell all kinds of items. Experience, worldwide shows that where ever multinational companies have opened their stores, almost all small shops, selling groceries and other households, in the 3 km radius have been compelled to close their business.

MNCs made their debut in retail business in 1960. In less than five decades, multinational companies have almost dominated the retail business, where ever they have gone, without exception. With that in these countries, most small retailers have been pushed out of the competition. Businesses of Wal-mart, Tesco, Carrefour and many other multinational companies engaged in retail business have crossed national incomes of many countries. After America and Europe many countries in Latin America and Southeast Asia and several other countries, governments opened their retail trade to foreign investment, under pressure from multinational companies, and most of the small and medium shopkeepers were shunted out of competition there. As these large multinational companies set up their big stores, people engaged in so called unorganized sector tend to lose their livelihood.

Since these multinational companies already dominated European and U.S. markets, targets. In this endeavor, they first approached Southeast Asian countries and now they are getting desperate to gain entry into India. Knowing very well that opening of retail sector for multinational corporations would be detrimental to the interests of 5 crore people engaged in this sector, directly and

indirectly, the Government of India is desperate to take this decision, before US President Barack Obama arrives in India, for the reasons best known to them. Showing scant respect for the Report of the Parliamentary Committee of Commerce on this issue, the Government is bent upon handing over the retail sector to foreigners. Discussion Paper refers to the so called 'findings' of ICRIER, a research organization hired by the government. ICRIER claims that this research is 'wide based'. By interviewing 2020 small retailers (indirectly), 1318 consumers and 197 farmers, the research body reaches at a conclusion, which they claim to be for all India, that except for their slow growth, there will be only a small impact on small retailers. The study also claims that there are big gains for consumers and the farmers in store, once this sector is opened up for transnational corporations.

SJM strongly condemns the Discussion Paper issued by the Department of Industrial Promotion and Policy, Government of India and rejects the so called 'findings' of ICRIER as they are clearly motivated. These findings are far from reality. Opening up of stores by large Indian companies and multinationals first in guise of wholesale trade in the name and style of 'cash and carry' and then by back door under partnership with Indian companies (such as Bharti - Wal-Mart) have had made a wide impact on small shopkeepers. If we allow these multinationals to enter openly, undoubtedly small retailers will be ruined.

The country had already witnessed the devastating impact of entry of big Indian companies in the retail sector on the livelihood of small retailers. If the government allows the entry of multinational companies now, the small retail sector would be totally ruined.

Under these circumstances, expressed intention to open foreign investment in retail sector by the government is a reflection of its total insensitivity towards the common man. SJM has already launched a nationwide public awareness programme, under which Pad Yatras, Public Meetings and seminars are being organized all over India.

This National Assembly of SJM demands:

1. That government gives up its insensitivity to the common man and decides, not to open retail for MNCs.
2. That licenses issued to Indian companies for opening stores for retail trading and foreign companies for 'wholesale trading' and single brand retailing should be cancelled with immediate effects for misconduct and to safeguard the interests of the small retailers.
3. A separate ministry for the welfare of the small retailers be made.
4. Small retail trade be given loans on priority basis at 4% rate of interest, with the objective of upgrading services provided by the small scale sector.
5. While making plans for urban development, protection of small traders and rehri, patri-thela be given due importance. □

and water management, in the name of PPP i.e. Public Private Partnership. Upto 1987-88 the government used to spend almost 4 per cent on defence, which now has gone down to 2.5% whereas the threat from countries like China and Pak is on the increase. The share of agriculture and industry in GDP has fallen to 38%. Regarding the other source of 62% of GDP comprising services, IT and allied sectors, sinister designs are on anvil to increase the quota of FDI in them, especially in Insurance, education and retail sectors! There is emerging a huge market amounting to \$4.8 trillion (Rs. 240 lakh crore) in the name of privatization of education throughout the world, a new probable source of governmental corruption. Strange, these MNCs are ready to garner Rs. two lakh crores from India in the field of nuclear energy, but when any tragedy of Chernobyl-type takes place, these are getting away with providing compensation to the tune of Rs.1500 crores merely. Referring to a recent bill passed in America, he said, the developed countries— which are resorting to

Swadeshi to save the interests of their own countries, but simultaneously are singing in praise of globalization just to exploit the economic resources of the developing and underdeveloped countries.

An Alternate Business Model – S. Gurumurthy

When everybody was praising the liberalization in 1991, SJM advised even then that we should watch patiently to see the failure of this America model, and now it is being proved correct. This American model is not only unviable for the world, it is not suitable for America itself. There are 20 crore people who can drive cars, but there are 26 crore sturdy cars in America sufficient for the next 10 years but even then they are producing new cars just to create employment. To allure people into purchasing new cars \$5000 is provided free, for anyone who purchases a new car, and banks will give a loan of \$9,000 ! 22 crore population has 120 crores credit cards and they have taken loans to the tune of \$2.7 trillion (Rs. 135 lakh crores), which amounts to Rs. 6 lakh loan on everybody). Once

America which was the biggest lender at one time, is the biggest borrower from the world at present. Contrary to our indigenous model, they have privatized the governmental works and nationalized the family affairs. He averred that this model is impractical, unnatural and unsustainable. In India, in the total seven lakh villages and only 12,404 police stations, and 37% of our GDP accrues from family savings. He quoted Goldman Sachs report of Sept 2009 that India needs a huge amount of \$1.7 trillion (85 lakh crores of Rupees) to create the needed infrastructure, but for it there is no need bring in foreign money. Our internal savings of the society are sufficient for it. He lauded the Ludhiana and Batala model of community based industrial clusters and the Gurudwara’s community kitchen, *langar* tradition.

Special Session on Save Agriculture, SAVE COUNTRY

Dr. Sharad Nimbalkar, former VC of Punjabrao Agriculture University, Maharashtra, gave a brain-storming speech on this topic. He emphasized that agriculture is the sole basis of people residing in our 6 lakh 40 thousand villages, and though 50% population depends directly, yet in total 85% depend indirectly on agriculture. Though total agricultural production has voluminously increased from 52 to 2.27 lakh tones, but the deteriorating condition of farmers has not improved. Strangely enough, the annual budgetary share on agriculture which was upto 32% in the first Five year has receded to a mere 3.5% at present! The result, he emphasized was visible in the form of 2 lakh farmers resorting to suicide and tally is in-



Resolution-3

Control Inflation – Save Common Man

For the last two years inflation has been raging in the country. While wholesale inflation has ruled over 10%, the food inflation has been ruling over 16-17 %. Rice, wheat, cooking oil, pulses, milk, fruits & vegetables, which are articles of daily consumption of the common man are rapidly going out his reach. The top functionaries of the central govt. especially the Prime Minister, The Finance Minister & The Deputy Chairman Planning Commission have been acting as sooth sayers, telling everyday that prices may come down after the monsoon, after state elections or after three months and what not. But the prices continue to defy them.

It is reported sometimes that nearly ten crore people may have slipped from their A.P.L. status to B.P.L. status on account of the raging inflation over the last two years.

The Government has liberally flooded the non agricultural sectors, especially the export sector with rescue packages. The R.B.I. is trying to flush the money out of circulation through its tight money policy.

The govt. seems to be working at cross purposes & is at a loss to understand what to do.

The freeing of petroleum prices has further added fuel to the burning fire of inflation. The liberal enhancement the salary & perks of The MPs by more than 300% from Rs. 16,000 pm. to Rs.50,000 shows the callousness of the ruling class as well as the political class as a whole, towards the sufferings of the masses.

The Central Govt. is running huge fiscal deficit due to wasteful expenditure. It was Rs. 3,36,992 crores in 2008-09 climbed to 4,14,041 crores in 2010-11. This is pumping more & more money into the economy causing inflationary spirals.

Large volumes of trading in food articles in the fu-

tures market and the futures derivative market by national as well as global agencies is very much responsible for the rising food inflation.

The U.P.A. I & II govt. have greatly succeeded in their policy of neglecting agriculture & bringing the country to this pathetic situation. While millions of people are suffering from hunger, millions of tones of food grains are being allowed to rot in the Food Corporation godowns & open storages. No responsibility is fixed and no one is punished.

No serious effort has been made to control hoarding & black marketing of food grains by trading companies especially the multinational trading companies, using the Essential Commodities Act.

S.J.M. Demands—

1. The Govt. should put and end to deficit budget regime and adopt soon surplus budgetary policy.
2. Future trading in food grains be totally banned forth with.
3. Greater importance to be given for agricultural production through proper pricing policy.
4. Control of inflation is to be given top priority in a time bound manner.
5. Strict action to be taken on Multinational Trading Agencies under the Essential Commodities Act.
6. The Govt. should calculate & publish regularly a comprehensive Retail Price Index.
7. A white paper should be published by The Central Govt. on the various actions taken to control inflation & their effectiveness.
8. The Govt. should adopt a true universal public distribution system and enlarge the commodities offered. They must be managed efficiently. □

creasing every day. He thundered that in our country, despite availability of 16 lakh 45 thousand sq ft of water - 60 to 70% of our land is still without irrigation. He criticized that while falsely eulogizing the increase in production due to BT cotton, the contribution of Sardar Sarovar Dam and efforts done by Cotton Board are conveniently forgotten! The continuous efforts done by 44 Agricultural Universities in improving and developing the indigenous varieties of seeds are ignored and suddenly Bt Brinjal seed is brought to the fore. Where is the scope of brinjal except in a few countries in the world,

and why such a euphoria about bringing BT technology for brinjal, he questioned. He also decried the draconian law in the name of BRAI Bill (Biodiversity Regulatory Authority of India). Provisions are on the anvil in this Bill to penalize up to Rs. Two lakh along with an imprisonment of 6 months if one criticizes without proper data these new GM techniques. It is certainly an onslaught on the liberty of speech, he urged. **One who holds a control on seed will take control of bread, and one who commands control over bread, will ultimately get control over the country, he warned.** The

designs of MNCs in popularizing of Bt Brinjal and Cotton and other Genetically Modified seeds should be viewed in this light, he emphasised. Sh. Yoganand Kale urged the audience to start a vigorous SAVE FARMING – SAVE COUNTRY campaign, while delivering his presidential remarks.

Remembering Dr. Bokare

To provide sufficient information about the founder convenor of SJM, Dr. MG Bokare's younger brother Sh. Diwakar Bokare was specially invited to this Sabha for a talk esp. on this subject. Sh. Diwakar ji told that while

teaching at Nagpur University he was a staunch supporter of Marxism. After an indepth study the Indian scriptures, and especially Vedas for a period stretching to 15 years, he found lacunae in Marxist ideology and slowly got disenchanted with it. At this juncture he came in contact with Thengadi ji, and then totally shifted to this side. Thengadiji persuaded him to give these ideas a written shape and the book **HINDU ECONOMICS** was an outcome of this. What the world is witnessing at present as dilapidation of capitalist castle has been foreseen and written just 20 years ago by Dr. Bokare. Sh. Yoganand Kale also related an episode from life of Dr. Bokare that once he went to Comrade Dange, a prominent Marxist of that time to discuss some problems of farmers. Comrade Dange answered that farmers being owners, so Marxism has nothing to do with their problems. This totally frustrated Dr. Bokare and he felt disillusioned with this concept of Marxism. He recalled how in a small meeting of prominent personalities in Resham Bhagh, Nagpur in 1991 Swadeshi Jagaran Manch was founded and Thengadi ji announced the name of Dr. MG Bokare as the *founder convenor*. He recalled the prophetic words of Sh. Thengadi ji pronounced at that time that though nobody is going to listen to us today, but due to persistent efforts of a CREATIVE MINORITY a new social model will emerge, and all will applaud it. People have started listening to us, he asserted.

Session on Save Ganga and other rivers

Sh. Mohan Singh Gaunvasi, former minister from Uttrakhand

and JNU researcher Hemant Dhayani described the deteriorating condition of Ganga due to construction of dams and tunnels and the resultant agitation regarding this. Sh. Manoj Kumar Singh from Jharkhand informed about a national seminar on rivers to be held in Jamshedpur (Tatanagar) on 11-12 December and that interested scientists, social activists and other concerned karyakartas should participate.

Special Report on China tour by Sh. Muralidhar Rao ji

He shared his experiences of his recent visit to China on a tour where representatives of different political parties participated in July this year. China claims to have accomplished successfully the biggest poverty eradication program of the world, but poverty reduction is not commensurate with the growth in GDP, he opined. The political leadership there is rather mature and reticent, and India is not a talking point in public. Their social structure is family based, but people at large are not so politically aware. The leadership of the world is shifting of course from West to East, and India's plus points, i.e. our public awareness, better intellectual capability and ability to have a dialogue in English with world, will definitely give us an edge over China, he asserted.

Swadeshi Sandesh Yatra and Mammoth Rally

On 3rd Oct at 4 in the eve an impressive Sandesh Yatra, with prominent leaders of SJM on the fore, covered the main bazaars of the city. The popular Bhangara troupe was giving a colour of Punjab, and a troupe displaying traditional martial arts of Punjab, called **gatka** was accompanying this yatra. People along the way were

welcoming the karyakartas with flower petals and sweets at several points. Our karyakartas holding banners and placards displaying swadeshi themes were in full gusto. Pamphlets in large number, depicting our issues, were distributed along the way. And lo, as soon as the Doaba college square arrived the yatra was converted in a mammoth rally addressed by Swadeshi leaders. Special attraction was the Chief Guest, a Shiromani Sant of Ravidas Samaj Pujya Baba Gurdeep Giri ji Maharaj. In simple and passionate message Baba ji appealed the public to shun foreign products and use Swadeshi which will automatically result in the departure of MNCs from our country. Others who spoke at the occasion were Sh. Yoganand Kale, Ramprakash Mishra (BMS), Muralidhar Rao and Subhash Sharma conducted the stage. Here it should be specially mentioned that it was really a huge and impressive rally, with a majority of young men, coming in the form of big groups, jathas, as it is called in Punjab with the drumbeats of Dhols and slogans. Young men were shouting anti-Wal-Mart, and anti-MNCs slogans and encircled the 19-foot long effigy of Wal-Mart and MNCs which was lit by national convenor Arun Ojha ji and turned to ashes with chanting of slogans by the big gathering.

New Appointments

Two names were added for the Central Working Committee, namely Dr. Sharad Nimbalkar from Nagpur and CA MR Venkataish from Tamil Nadu, and Sh. Mukund Gore as special invitee of Rashtriya Parishad. Smt. Renu Purnanik of MP as incharge of Women Cell (Mahila Prakoshta), And

the following were appointed as Rashtriya Parishad Members: (a) Sh. Surendra Pande (MP), KP Tripathi (MP), Murari Jha (Bihar), Piyush Pandey (WUP), Sh. Bholanath Mishra (Avadh), Rajkumar Bhatia and Dinesh Sharma (Delhi), and Dr. Priyesh from Kerala. Sh. Gobind Ram Aggarwal is also appointed as State Co-convenor of Delhi. Sh. Jagdish Rao of Karnataka appointed as Prant Samparak Pramukh. **In Odisha:** Sh. Bhagwandas Khandelwal of Balasore as Prant Kosh Pramukh, Smt. Shantilata Sahu as Prant Mahila Pramukh. Sh. Amit (Ashu) Sampla of Punjab appointed as Prant Sangharash Vahini Pramukh. Dr. Niranjan Singh is appointed as Seh prant Sanyojaka of Kashi Prant. Similarly, the whole of Administrative Maharashtra Prant will be considered as one Prant and Sh. Ajay Patki will act as Prant Sanyojaka.

Future Programmes

National Working Committee meeting will be held in Delhi on 8th and 9th January 2011, and On April 9,10, National Council (Rashtriya Parishad) will meet in Chennai. Thirdly, **SAVE FARMING, SAVE NATION** by holding of yatra, vehical yatra from village to village from Dec. 2010 to February 2011. A committee headed by Sh. Sharad Nimbalkar has been constituted with Sh. Bhagirath Chowdhari of Rajasthan, Sh. Chandramohan W-UP, Sh. Narasimhan Naidu from AP Sh. Annada Panigrahi from Odisha and Rajesh Upadhyay from Jharkhand. Fourthly, Programmes to be held against FDI IN RETAIL, and a committee is formed with Dr. Ashwani Mahajan, (Convenor) and Prof. Kumaraswami, KV Biju (Kerala) Vandeshankar Singh

(Jharkhand), CA Sanjeev Maheshwari from W-UP, and Shailendra Saingar from Delhi. **Yuva SAMAGAMS:** a committee with Subash Sharma as convenor and with Davendra Vishwakarma (MP), Mukul Ranjan (Bihar), Parkhu Ram (Odisha) & Vankatesh (AP). Gau Sammelan's changed dates are 25,26 and 27 December in Jaipur, and Nadi Sammelan (River Convention) in Jamshedpur (Jharkhand) on 11,12 December 2010. A committee headed by Sh. Neeraj Tayal will update the Swadeshi/Vedeshi Product List and it will revise the list every six months. Similarly programmes be held on the topic of **Chinese threat** at various levels. **Prant, District and Tehsil (Block) Sammelans** of SJM be held at appropriate time in the time table of the State. Similarly special efforts be made for Swadeshi Patrika and Monthly Vichar Mandal meetings – basic work for expansion and training of the Karyakartas.

Issue-based Parallel Sessions

On Agriculture: Sh. Sharad Nibalkar and Yoganand Kale, On WTO AND FREE TRADE AGREEMENTS: Prof. Bhagwati Prakash ji and Ashwani Mahajan, on Education, by Lakshmi Narayana Bhala and Gopal ji, and on Women by Smt. Renu Pournik, Sudha Sharma and Saroj Mitra, and on Swadeshi Chikista, by Surender Bhatnagar.

Category-wise sessions of karyakartas

In late evening on 3rd Oct. 2010 separate meetings were held of different categories of Karyakartas in smaller groups to have discussions on future line to adopt and to get their feedback. Gen-

eral category: Sh. Arun Ojha, Prant convenor and similar: Sh. Muralidhar Rao, Cashiers and other Kosh Pramukh with Sh. Bholanath Vij, Vichar Mandal Pramukhs by Sh. Ashwani Mahajan ji, Zila, Vibhag convenors— Sh. Kashmiri Lal.

Samarop (Final) session

Dr. Subash Sharma introduced the main prabandhaks of the Convention. President of the Reception Committee and a prominent journalist Sh. Chandramohan thanked the audience and said that our youth is full of caliber. Sh. Murthy Ji, Zonal Sewa Pramukh, who remained the Palak of the whole arrangements, was also present in the Pandal. In his valedictory address, Sh. Arun Ojha said that some people are bent upon making India a country of cities. He alerted that when India will become the country of cities, it will cease to be the real Bharat. He recalled the letter dated 5th Oct 1945 written by Gandhiji to Jawahar Lal Nehru and also quoted the historic letter written by Nehru to Gandhi wherein Gandhi advised Nehru to adopt the based economy and subsequently Nehru pooh-poohed this idea.

But later on Nehruji also accepted on the floor of Parliament on 19-11-63 that Bapu was right and that he was wrong. Even after 63 years after gaining Independence, 76% of India lives in villages. He again recalled that the slogan and mantra of the first Indian War of Independence was Khadi and he pointed out that the Mantra of this next war of real Independence should be Khad (manure). With the thanks giving note of Sh. Amit Sampla the 10th National Convention of SJM was completed. □□

Benefits of electricity—Are they unlimited?



That benefits from consumption of electricity are astronomical is hype. It is necessary to assess the true benefits from electricity and produce more electricity only if benefits are large; and less if benefits are fewer advises **Dr Bharat Jhunjhunwala**

That electricity leads to improvement in standard of life is undisputed. Question is how much? Benefits of eating bread are self-evident. But one does not cut the mango tree in his backyard to buy bread, or he does not mortgage his ancestral house for this. He calculates the benefit from bread to be less than the cost of cutting the mango tree. But he cuts the same mango tree to raise money for buying a tractor. Likewise it is necessary to assess the benefits from electricity. We should produce more electricity if benefits are large; and less of the same if benefits are less. However, it is difficult to measure the benefits from the use of electricity. The students study under a lamp in the night. Pray! How

to measure the benefits of burning the lamp? Economists have worked out two methods to overcome this difficulty.

First method is to assess the 'willingness to pay' for the purchase of electricity. Consider the purchase of mango from the market. How much is the benefit from eating the mango? This can be assessed by asking the person how much he is willing to pay for that purchase. Say, the price of mango in the market is Rs 30 a kilo. But the customer was willing to pay a maximum of Rs 40 for it. The benefit derived by the customer from the purchase is, then, Rs 10.

One of the topmost institutions in the country in the field of energy is The Energy Research In-

stitute, more commonly known as TERI. It is headed by Nobel Laureate Dr R K Pachauri. TERI has made a survey of industrialists and farmers in Karnataka and Haryana. It was found that industrialists were willing to pay Rs 5.20 per unit for reliable electricity while farmers were willing to pay only Rs 3 per unit. This study was done in 1999. On the average I reckon this will be equal to Rs 7 per unit today. The cost of electricity is about Rs 4 per unit. The benefit drawn by the consumers will, therefore, be Rs 3 per unit.

Another method to determine benefits from electricity is to compare the cost of production with other sources. This is called 'replacement value' method. We can calculate how much it will cost to replace the electricity from the next best available source. Say, the cost of producing hydropower is Rs 3 per unit. If hydropower is not generated then the same electricity will be produced from thermal plants. The cost of thermal power is, say, Rs 4 per unit. Thus, the benefit from generation of hydropower is Rs 1 per unit. The customer will have to pay an additional Rs 1 per unit because hydropower was not produced. The benefit from prevention of this additional burden on the con-



sumer will be Rs 1 per unit.

The average benefit from the two methods works out to about Rs 2 per unit. The amount paid for purchase of electricity is about Rs 4 per unit. Therefore, more electricity should be produced if the cost of production is less than Rs 6, and less electricity should be produced if the cost of production is more than Rs 6 per unit.

The cost of production of electricity has two components. Some costs are incurred by the producer. These include cost of plant and machinery, labour, coal, etc. This is about Rs 3 per unit. Other costs are incurred by the society. These include global warming, increase in disease, loss of biodiversity, etc. These environmental, social and political costs are huge. I have assessed the environmental costs from one hydropower project, namely, Kotlibhel in Uttarakhand, to be Rs 8 per unit. The total cost of electricity is, therefore, Rs 11 per unit. This high price is not visible though because the environmental and social costs are borne by the poor people living along the rivers and thermal plants while the benefits from generation of electricity are reaped by those living in Kolkata and New Delhi.

So here is the problem. The benefits from consumption of electricity are Rs 6 per unit today while the costs are Rs 11 per unit. Hence, we should reduce the production of electricity. At lower level of production, the benefits will be more and costs will be less. At some point the benefits will be equal to the costs. That is the amount of electricity that we must produce. We should charge higher price so that people do not use electricity for running escalators and air-con-

ditioners in shopping malls. The poor people will be spared of the environmental costs and total welfare of the country will increase.

But a powerful lobby of contractors is at work. They have created hype that benefits from consumption of electricity are astronomical. Therefore, they say, we must produce as much electricity as possible. It does not matter if the nation's sovereignty is put to risk by dependence on imported uranium; or the culture of worshipping free-flowing rivers comes to an end; or global warming takes place; because the benefits are so huge so as to dwarf these costs. These contractors have purchased the intellectuals of the country and got them to give astronomically high estimates of benefits from electricity.

The National Hydro Power Corporation gave a contract to TERI to evaluate the costs and benefits of two hydropower projects. TERI concluded that the benefits of electricity were Rs 74 per unit in 2005. At present this may be Rs 100 per unit. This is strange. TERI itself has evaluated the benefits to be about Rs 7 per unit by 'willingness to pay' method. Now it has raised that figure to Rs 100 per unit. It is on this basis that the Ministry of Power is trying to increase production of power at any cost.

TERI arrived at this figure by comparing the consumption of electricity and national income over the years. It found that an increase in consumption of electricity by 1 unit went hand in hand with an increase in national income of Rs 100. From this comparison, it concluded that benefits of one unit of electricity were Rs 100. Problem is

The benefits from consumption of electricity are Rs 6 per unit today while the costs are Rs 11 per unit.

that the contribution of other inputs to national income has been ignored. The contribution of land, labour, capital and technology is all assumed to be zero. It is assumed that the only input in national income is electricity. This can be understood by an example. We may ask the farmer what is the benefit from the tube well? He will calculate the contribution of seeds, fertilizers, tractor, land, technology, management and tube well. Then he will assess how much of the production is due to the tube well. The same should be done for national income. TERI should have assessed the contribution of other inputs in the national income and then determined how much was due to electricity. Unfortunately, in its anxiety to please NHPC, which had given the contract, TERI set aside its intellectual honesty and concluded that benefits from electricity were Rs 100 per unit. Such conclusions have become the basis of ever increased generation of electricity and putting our sovereignty, culture and environment at stake. Our economist Prime Minister should intervene and put a stop to such misinformation being spread by the contractors. True benefits and costs of electricity should be assessed and only so much electricity should be generated that is beneficial. □□

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Monsanto takes over agriculture of semi-arid Rajasthan



*Monsanto has signed an agreement with the Rajasthan Government to engage in public-private partnership to develop & market hybrid seeds of maize, cotton & vegetables like hot pepper, tomato, cabbage, cucumber, cauliflower & water melon. What is the use of extending the Green Revolution to the northeast parts of the country when the northwestern belt is being virtually turned unfit for food cultivation, asks **Dr. Devinder sharma***

There is trouble ahead for the semi-arid regions of Rajasthan. What is presently classified as semi-arid region will soon turn arid, and barren. In a region where water is a scarce commodity, water guzzling hybrids will now be promoted with impunity. Rajasthan has in fact invited the multi-national seed giant Monsanto to sow the seeds of destruction. Monsanto has been handed-over the reigns of Rajasthan's agriculture, and in other words its food security.

Rajasthan becomes India's first Monsanto-land.

Monsanto has signed an agreement with the Rajasthan Government to engage in public-private partnership to develop and

market hybrid seeds of maize, cotton and vegetables like hot pepper, tomato, cabbage, cucumber, cauliflower and water melon. The MoU has been signed on behalf of the State Government with Department of Agriculture, Department of Horticulture, Swami Keshavanand Rajasthan Agriculture University, Maharana Pratap University of Agriculture and Technology, and Rajasthan University of Veterinary and Animal Sciences.

The MoU was signed in July 2010, and a copy of the confidential agreement was obtained using the Right to Information.

With Monsanto virtually taking over seed production and distribution, and at the same time be-

ing allowed to use the research and extension services of the State and the universities along with the Krishi Vigyan Kendras (KVKs) for disseminating the farm technologies, I wonder what role and task is left for the agricultural universities. If the universities have to be simply subservient to Monsanto, and be the executing agencies, isn't it time to close down these universities and save the tax-payers money? Why should the tax-payers bear the cost of providing supporting services which basically adds to the commercial gains of the private seed giant?

While the objectives include contributing to the agricultural economy through enhanced yields, encouraging cultivation of crops beneficial to farmers, the Rajasthan government has promised to bring in policies and programmes to



Monsanto will identify which hybrid seeds are to be cultivated, and will also evaluate cross-licencing agreement with the agricultural universities and the departments.

make this possible by encouraging seed multiplication and distribution. Besides seed production and processing, Monsanto will engage in developing its proprietary germplasm in collaboration with the universities for which it will charge prescribed fee. Both the partners—Monsanto and Rajasthan government— will undertake feasibility studies and assessment to ensure that the hybrid seeds enter the seed value chain.

Interestingly, Monsanto will identify which hybrid seeds are to be cultivated, and will also evaluate cross-licencing agreement with the agricultural universities and the departments. To take cotton production to the next level, Monsanto has agreed to bring in mechanical harvesting equipment which will be made

available to the universities at no additional cost. Students will also be provided with internships. The MoU provides a detailed list of activities to be conducted, which for all practical purposes means the virtual take-over of Rajasthan’s agricultural research, education and extension infrastructure and services. Except that the State will pay for the staff salaries as well as maintenance cost for the infrastructure, universities and the two departments of agriculture and horticulture have been made redundant.

Hybrids are water guzzling crops. They consume roughly 1.5 times more water than the high-yielding varieties. At the same time, hybrids require increased application of chemical fertilisers and pesticides. At a time when across globe & also within India questions are

being raised about sustainability of agriculture, I fail to understand the logic of large-scale introduction of hybrids of maize, cotton and vegetables. What is the use of extending the Green Revolution to the northeast parts of the country when the northwestern belt is being virtually turned unfit for food cultivation?

Common sense tells us that you need to cultivate crops that require less water in arid regions. I wonder where common sense has disappeared when it comes to developing suitable and appropriate agriculture technologies. How can anyone justify growing hybrid crops in water deficit regions? Why is the Rajasthan Government so determined to destroy Rajasthan’s semi-arid agriculture for all times to come? □□

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What Kashmir's 'Freedom' means for the Kashmiris



*Potential to generate revenue has gone down significantly in J&K due to terrorism. It is expected to contribute a humble 4,000 crore to the Central exchequer in next five years against which it is expecting to get a booming 100,000 crore from the Centre under various heads says **Dr. Ashwani Mahajan.***

With the country's independence began the Kashmir problem. While formally merger of Jammu and Kashmir in India was yet to be announced by former rulers of Kashmir, Pakistani troops in the guise of Kabbailis, captured a large part of Kashmir, which is under illegal occupation of Pakistan, i.e., Pakistan-Occupied Kashmir (POK). Pakistan calls it 'Azad Kashmir', which in fact is 'Ghulam' Kashmir, i.e. enslaved Kashmir.

It is well known that India, which is third most powerful nation economically, is fast emerging as economic super power, thanks to the political stability and forceful democratic system. India's development is achieving new

heights. India is not only self dependent and one of the world's leaders in Information Technology, health, space science, defence and peaceful use of nuclear technology. Recently concluded Commonwealth Games have demonstrated India's strength in sports infrastructure and sports performance also. Medals tally shows that India has pushed behind many developed countries and occupied second place only after Australia. It cannot be sudden. For this our talented people had to work consistently for years.

The people of India have always considered Kashmir to be the Crown of India. Kashmir valley popularly known as Switzerland of

India has been a matter of pride for all Indians. People and Government of India have always been striving to take Jammu and Kashmir to reach the highest peak of development. All agencies including Planning Commission and Finance Commission have been working for the development of Kashmir. Apart from this Jammu and Kashmir has strategic importance for India. Thus in no way separatist leaders of Kashmir can be obliged.

Meanwhile, if we take a look at enslaved Kashmir we find no sign of development except roads and bridges to facilitate the movement of Pakistani and Chinese troops. One can easily foresee the future of Kashmir if the evil designs of Pakistan's conspiracy fructify and separatist leaders are successful in so called 'Azadi' or self-Governance (prospects of which are absolutely nil) at any level.



In 2008-09, the Central Government collected total direct taxes to the tune of Rs 3,35,000 crore, from J&K it could collect only Rs.452 crore.

If we talk of Kashmir's so-called freedom, which is just a dream, even that dream will be catastrophic for the Kashmir and Kashmiris. Jammu and Kashmir is a State where both the Central and State Governments are unable to collect significant revenue. In 2008-09, the Central Government collected total direct taxes to the tune of Rs 3,35,000 crore, from J & K it could collect only Rs.452 crore. Only two



tax payers, namely Jammu and Kashmir Bank Ltd. and Sun Pharma Ltd contributed more than Rs 300 crore to direct taxes. As far as Union Excise Duty is concerned, only 62 crore could be collected. Further we note that most of the tax revenue comes from the Jammu region. The revenue of the State government from own tax revenue was only Rs 3011 crore in 2009-10, while the State Government's total revenue this year was Rs 19,362 crore. In this the State of J&K received Rs 1880 as share in central taxes and Rs 13,232 crore, as grants in aid from the central government in different forms. That is, 15,112 crore were received by Jammu and Kashmir Government from the Central Government, out of a total revenue of Rs. 19,362 crore (78 percent).

For even its general expenses, State Government of Jammu & Kashmir cannot bank on its own resources as they are hardly 22 percent of expenses. Though it is out of compulsion to deal with insurgency, even expenditure made by the Central Government on maintenance of security forces in J&K, also has is contributing significantly to the economy and exchequer of

J&K. Thirteenth Finance Commission has granted a total transfer of Rs 40,439 crore between 2010 and 2015, out of which Rs. 20183 crore would be the share in central taxes and Rs. 20256 crore as grants in aid; i.e. J&K would get more than Rs 8,000 crore per year through statutory transfers recommended by the Finance Commission only. Apart from this, there are discretionary grants and other transfers recommended by the Planning Commission and Ministry of Finance. Finance Commission, Planning Commission or any other agency of government, while making allocation for states do not look at the contribution made by the respective state to the Central exchequer. Important for them is the needs for development of the state and funds required for the same. Although Jammu and Kashmir constitutes less than 1 percent of India's population and due to the problem of insurgency there is also large scale migration of Hindu-Sikh population from J&K to various parts of India, it is getting 1.6 percent as share in Central taxes and huge 7.5 percent in the form of grants in aid from Finance Commission. Due to the problem

of militancy State of J&K, which was a fairly well developed one, is in shambles, as a result of which the potential to generate revenue has also gone down significantly. It is noticeable that the state of J & K is expected to contribute a humble Rs. 4,000 crore in the next five years (i.e. Rs 800 crore per year), to the Central exchequer, against which it is expected to get a booming one lac crore from the centre under various heads

Laddak, Kashmir Valley and Jammu area are the three sub-divisions of Jammu and Kashmir. For obvious reasons, State of J&K is less developed as compared to the rest of India. Insurgency and militancy has shattered the economy of the state. Separatist leaders, who claim them to be the messiahs of people of Kashmir, are doing more harm to the State Jammu and Kashmir. The people of Kashmir must understand that people of India have cultural, historical and emotional bonds with Kashmir and Kashmiri people. In the interest of all round development of Jammu and Kashmir, Jammu and Kashmir's people must walk together with rest of India.

With all round belief that Kashmir is the crown of Mother India, while sea washes her feet, it is understandable that Indian people have an emotional attachment with Kashmir and Kashmiri people. Kashmiri people should come out of the clutches of separatist forces and enemy nations and start working for the development of Kashmir to improve living standards, by giving peace a chance. □□

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Taxless Economy – A New Paradigm

The first part of this article based on the book “The Taxless Economy” by Dr. M. G. Bokare, was published in the October issue of Swadeshi Patrika.

Sources of the Budget

The state has the budget which is broadly divided into two categories of expenditures. One part of the budgetary expenses is allocated to meet the salaries, while the other part is used to purchase the commodities needed for administration. If the historical trend of the prices in the competitive economy is valid, i.e. the prices of commodities move downward, the budgetary expenditures would not increase in the history of the state. The same amount of the money will be enough for the salaries of the staff and the goods needed for administration. Perhaps, the state will be able to rationalize the budget by decreasing the outlays, because less money will be required to purchase the same quantities of goods and also pay salaries to staff. The state provides the externalities to the economy. Such externalities

go to increase the efficiency of the economy. This is the Marshallian conclusion. A good government itself, therefore, is the externality of the economy. A good government is one which is preparing for the reduction of taxes

The study of public finance is known to us as regards the sources of money for the budget. They could be outlined in the following groups:

1. Revenue from taxes, direct and indirect.
2. Public loans.
3. Deficit finance.

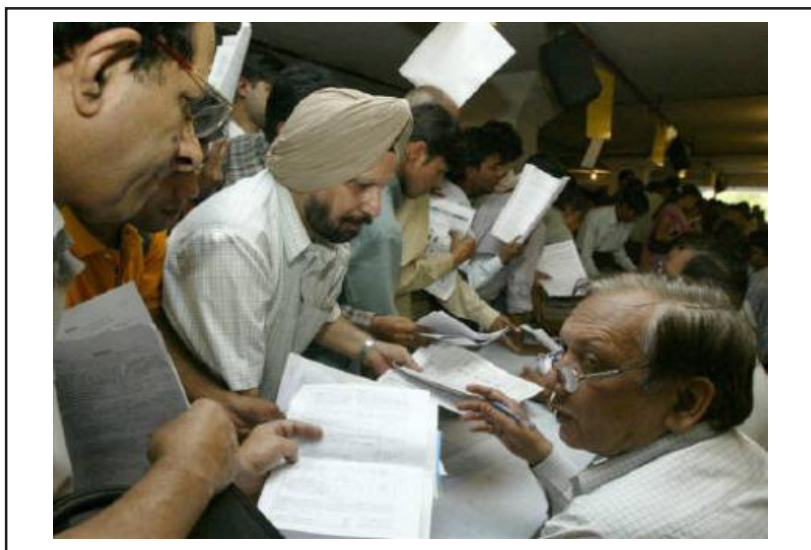
Our exploration is goal oriented. Whether we can accomplish the state without taxes? Therefore, the taxes listed in the first group have to be eliminated in the course of the history of the state. We have then two groups of resources, viz., public loans and deficit finance, for the budget.

The deduction, therefore, is simple. In the history of economy, the supply will continue to increase compared to the demand of the commodities. This would result in the downward movement of prices. Thus, time in the economic development becomes relevant. Time has been studied in the economic theories. Prices today and prices in future have been studied in the theory of interest.

The characteristic feature of the economy governed by the forces of competition in the market should be perceived.

The purchasing power of money increases in free competition (not to get confused with present day monopoly competition) because the prices of the commodities move downward historically. If this statement can be usefully converted, we can say that the index number of the prices next year will be lower compared to that of the current year. If this deduction is correct, it will have effects upon the rate of interest. The historical trend is the rate of interest in the economy will be clearly stated now. Rate of interest will move down. It may touch as low as zero when the supply would exceed demand in the domain of production of commodities.

The budget can be financed with public loans. Why the citizens will deposit their savings in the public loans of the government? We are informing our citizens that



we are undergoing the experiment of eliminating the taxes in the budget. The tensions and the distrust arising out of the burdens and the insults of the taxation laws will be completely removed by the policy measures. This itself will metamorphose the behaviour. The citizens will participate in this great experiment. Thus the budget could be financed with the help of public loans.

We have experienced the departure from the budget. The deficit budget is the contribution of the Keynesian therapy. The deficit budget was used to increase the demand side of the economy. The wasteful and unproductive expenditures are financed with the help of deficit finance. The same technique of deficit finance can be used for productive purposes. Thus, deficit finance for increase in total supply of commodities is equally possible. This is one of the arguments in the underdeveloped countries. Will deficit finance increase the price level? The evidence in the period of Great Depression of 1929 informs us that despite deficit finance the prices did not move upward generally. If our economy does not permit the idle capacity in agriculture and industry, and further if it does not allow monopolistic powers and practices, the prices would not turn away from their natural path of downward moving historical trend.

This is to suggest that the budget can be financed by the sources other than taxes. We now examine the proposal.

It is not suggested that the budget should be suddenly changed. The first step should be our own clarity in terms of the theorems included in the proposal. The economists ought to con-

Technique of deficit finance can be used for productive purposes. Thus, deficit finance for increase in total supply of commodities is equally possible.

ceive the features of competitive market economy. In this process, how far some of the features of the monopolistic powers and the practices can be removed in the economy wherein we have decided to launch the experiment. Can we eliminate patents in the production of commodities? Can we promote large organizations like joint stock companies, which would, however, not move towards monopolistic powers? In the state enterprises, is it feasible to promote the competitive characteristics? Such questions ought to be clearly perceived and solved.

While examining the budget, we have to decide that the Keynesian orientation of the state will be removed. The budget shall not promote activities, which are not harmonious for the competitive economy. In the same breath, we ought to conceive the organic relationship between the falling prices of commodities in the economy and its harmonious effects upon the outlays of the budget. If this is true, we can go ahead step by step. We can selectively remove a few taxes in the first phase. In this process, if the theoretical deductions of the competitive economy are true as regards the historical trend of prices of future period, the budget will surely need less amounts successively. In these successive processes, the taxes should be removed and other sources used instead. In the group of other sources, viz. public loans and the

deficit finance, a judicious choice can be made from time to time. In this experiment, the assumptions are made. We should examine in practice how far the assumptions are experienced. Whether the deficit finance used only for productive purposes will increase the prices? Our assumption is already underlined. Deficit finance, if used for productive purposes, does not necessarily result in the inflationary impact on the economy. The price level is mainly determined by the relative supply and demand in the economy. Further, we have envisioned that the distance between the demand and supply will be narrowed down in the historical development of the economy. In this trend, deficit finance will reinforce the trend. The lessons of deficit finance used during the period of Great Depression of 1929 and also the deficit finance during the war-periods should not be interpolated in this experiment. The use of the deficit finance in this experiment also does away with the distinction between the balanced and the unbalanced budget which we know in public finance.

The parameters of the proposed economy without taxes have its own rationality; in the downward moving prices of commodities, it also can envision the other features in the same economy. It is in the domain of the theorem of interest in the economy. Some parts of the human behaviour in the economy with abundant supplies

and downward moving prices have been indicated. If the prices of commodities in future would be lower than the current prices as a historical trend, the motivation itself undergoes change. Interest is based on a parameter of prices in time. If prices tomorrow would be higher than prices today, the category of interest is precursed to compensate the fall in the purchasing power of money. When the opposite paradigm is experienced, and the purchasing power of money would be increasing in the history, interest as such would not be a force of motivation

The whole mechanics of accomplishing the taxless economy is based on the assumption of competitive forces in the economic transactions. The assumption is not strange. We study the economic history of classical theories. We know where exactly lies the difference between the competitive economy and the monopolistic economy. If we move from the current phase of monopolistic forms of the economy and design our economy governed by the forces of market competition, we can also move towards the state without taxes. In the same process, we may be able to accomplish the economy without interest.

The terms and analysis used in this note is not new. All terms are known to us and are also used in the meaning known to us. Therefore, there is nothing new in the presentation. What is new then in

this essay? The author has overcome the limitations of the known knowledge in economic literature. Further, he is not frightened by the falling prices in the economy.

This is the situation, which had presented the economy with downward prices in 1929. It is called the study of trade cycle. When downward process really coming down, the economists advised the state to push the prices above. This is known since then the Keynesian economic policy. We have to discard Keynesian outlook and allow the prices to move downward.

The essay is based on two basic statements, which, it is assumed, are true statements in economics. The first statement is in respect of competition in the market economy. The evidence in the history of economics is enough to prove that competition in the market economy moves towards abundance. Steadily the prices fall in the economy. The capitalists are fully aware of this phenomenon. They have therefore devised a method to arrest the abundance in the economy. In the agriculture sector, we are experiencing this truth. Supplies are more than demand in the USA and the Western European economies. The fact that there are price support programme, is itself the proof. We know that the agriculture sector of the economy is the nearest approximation of competition in the market economy. In industrial sector, the monopolistic practices have managed

to arrest the supplies and create artificial demands. Contrived scarcity and conspicuous consumption are engineered in the industrial sector.

It is, therefore, necessary that the state should take steps to liberate the economy from any kind of monopolistic powers and practices. All laws that go to promote monopolistic practices should be repealed. The law of patents, copy rights, trademarks should be repealed. Emulation should be encouraged. As regards the joint stock companies, such large enterprises promote inter-corporate investments. The stock market serves this purpose. We may retain the joint stock companies, but its characteristic of inter-corporate investments should be eliminated. It can be accomplished by amending the companies act. Instead of votes proportionate to the number of shares held, the law can provide one-vote-for-one shareholder. Further voting by proxy should not be permitted under the law. Stock markets will function as usual for converting shares into cash whenever needed by the individuals. This is close to the operations of cooperative societies.

Some more improvements are also needed in the economy. They can be indicated in brief:

1. No subsidy to any sector for any activity should be given by the state.
2. Licensing and permits are privileges that promote monopolistic practices. Hence, they should be dispensed with in the economy.
3. The foreign trade policy should move towards freedom. The protective policy should be converted into free trade. The revenue duties may be very low.

The whole mechanics of accomplishing the taxless economy is based on the assumption of competitive forces in the economic transactions. The assumption is not strange.

4. Installment & hire-purchase systems should be declared illegal.

Public Loans

This should be a revolving mechanism of operating the fund. People deposit their savings and withdraw the same. Opening and closing balances of the fund will give us the funds available for the budget. The deficit finance can coalesce with public loans fund thus maintained. In case of money needed for payments, the government can use the money thus obtained through the deficit finance. The state should have this power with arrangements with the central bank of the country. The rate of interest on the public deposits should be indexed. The difference between the last year's price level and the price level of this year should be linked with rate of interest. This will compensate the money in respect of purchasing power. The probability under this indexation will result in very low of interest. The weight of interest to be paid on public deposits should be a part of the budget.

The suggestions in respect of competitive market economy would surely be appreciated and yet the measures will be opposed. Many experts in the government are not aware of the breaches in the principles of competition in the economy. The economists have theorized them in their books and essays. But the statesmen are not aware of the theories. The movement towards the competitive market economy will bring about the seeming collapse of some segments of the economy. This ought to be courageously faced. After all human beings, their natural resources, their knowledge of technology and the business exper-

es do not disappear. They are re-organized in the course of the collapse of the institutions and the disappearance of the practices. This is an analogy like thermodynamics, its first principle.

Phenomenology of Taxless Economy

The general impression is carried in the society that we are living in the competitive world. The real situation is, however, concealed. We live in an artificial scarcity and artificially raised prices. This situation is forced on the economy by using monopolistic practices. If we desire to move towards the taxless economy, it is imperative for the state policy to remove the artificial weights of demand and supply. The state must ensure that demand and supply move forward on their natural paths of development. The economy freed from monopolistic practices is broadly

identified as the competitive economy. If the state feels the need for the monopolistic form of organization in the public sector, the regulations can be framed so that the competitive forces are released in the management of the enterprises.

As said earlier, the taxless economy would be like tectonic change from the earlier scenario. The analogy of tectonic change in the economy should be borne in mind when we open our economic affairs for the processes of the competitive market economy needed for taxless economy. Many institutions in the current economy with taxes would disappear. In their places new institutions would come into existence. They will only get reorganized. □□

(This is based on the book "The Taxless Economy" by Dr. M. G. Bokare, former Vice-Chancellor of Nagpur University (India). This book is recently published by Dr. M G Bokare Memorial Foundation, Pune, and copies are available from <http://www.pothi.com>) Pages 320, Price Rs. 450/-)



सभी देशवासियों को
**दीपावली, छठपूजा एवम्
 गुरुनानक जन्म दिवस**
 की हार्दिक शुभकामनाएं

निवेदक
श्री देवेन्द्र कुमार
 (निगम पार्षद, वार्ड नं. 219)

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Media toys around with markets

Manipulating sentiments to manage market indices has now assumed alarming proportions. After all, investment via private treaties (shares in exchange for advertisement space) turns positive only if the advertiser's stock performance is positive. For obvious reasons, sections of the media are not reconciled to the idea of transparency, disclosures or regulations, little realising that both the media and the regulator — SEBI — are fast losing their credibility, explains MR Venkatesh

A section of the media has encouraged companies to part with shares in exchange for advertisement space. This has given rise to a vested interest in manipulating the Sensex.

"They" provide us a running commentary from morning till late evening, "The morning session is crucial," they say. And if you thought that was a cricket commentator talking about the first hour of play, you are mistaken.

These are market commentators. "The middle session is crucial" and subsequently "the final hour of trade is crucial." Repeated use of the word "crucial" is aimed at turning on the viewer and making him believe that something big is happening.

This live relay is further followed by expert analysis till late into the night. If you thought "they" were merely commentators, you are possibly wrong. "They" have a deeper and a far more complex agenda— of influencing the minds of the viewers.

Talking up share prices or

Thanks to the silence of the market regulator, SEBI, all these have now come to be characterised as acceptable.

Western model of development threat to our survival: PM



The Prime Minister, Dr. Manmohan Singh while inaugurating the Annual meeting of the Academy of Sciences for the Developing World for the year 2010 in Hyderabad accepted that "the path of development followed by the industrialized countries has the potential to threaten our existence and way of life". This is what exactly SJM has been

telling the nation for decades now. Prime Minister asked scientific community to find, "an alternative and more sustainable way of developing our societies and economies without injuring and destroying the natural bounty of Mother Earth. If we can find such a path - that does not unduly constrain our ability to deal effectively and quickly with basic challenges of development – then we should follow it in our enlightened self-interest". "I believe that it is only science that can provide us with these answers. And further, it is through the collective energies of the men and women gathered here today that these solutions can be found", he emphasised.

Dr. Manmohan Singh, the blind follower of the West further said, "The challenges that developing countries face are similar, whether it is in combating tropical diseases, transforming traditional agriculture, or predicting and tackling natural disasters. These problems of underdevelopment do not receive adequate attention in the advanced industrialized countries. Nor should we expect others to solve our problems for us".

Do not read too much into his speech, for had he really believed in what he said that would have been reflected in the policies that his government pursues. □

talking them down is part of the strategy of these "anchor investors". Thanks to the silence of the market regulator, SEBI, all these have now come to be characterised as acceptable.

At the height of the stock market collapse in October 2008,

even the Government was clueless on how to act against the loaded presentation of the global economic crisis by sections of the media. With the stock markets tumbling by the hour, these players had a field day. In a way it was a self-fulfilling prophecy. The more they

created panic in the minds of viewers, the more the markets went into a tailspin.

But if you thought that this phenomenon was limited to the stock markets, you are wrong. There was tremendous media attention given to the failure of the monsoon last year. The Economic Survey 2009-10 blames the media for “hyping” the failure of the mon-

soon leading to fear of shortages, consequent hoarding and inflation.

Role of Private Treaties

Attempts at influencing stock markets are not limited to the electronic media. Some within the print media do it quite as brazenly, but in a different way. Interestingly, this is marketed as a “business strategy” under a novel concept of “private treaties”. These are, in effect, commercial agreements between a media house and corporates, linking their business interests through advertisement and equity.

What is interesting in this contract is that corporates allot shares to the media house. In consideration, the media house allows advertisement space to the corpo-

The Economic Survey 2009-10 blames the media for “hyping” the failure of the monsoon leading to fear of shortages, consequent hoarding and inflation.



rates. In the process, the Chinese walls of the past, between advertisement and editorial, have virtually collapsed. Instead, we have a new concept of ‘advertorial’. Consequently, reporting adverse news about such corporates is a commercial impossibility.

The idea of brand-building through private treaties is explained through a presentation available on the group Web site of leading media house through a set of rhetorical questions. How do you invest in building a brand and manage cash flows at the same time? How do you convince the cold-blooded accounting department that brand equity can perhaps be your single biggest asset? And yes, where’s the money going to come from?

Seeking to answer these questions, the power point presentation states that “we invest in the long-term potential of your brand. We believe that strong products and services, when branded right, have the power to transcend their natural growth paths and turbo-charge their balance sheets.”

It would seem that branding can come about only through advertisement in the media, and that

too only with the said group. Such brazenness would not have been possible even a decade back.

Obviously, on account of such positions and investments, manipulating sentiments to manage market indices has now assumed alarming proportions. After all, investment via private treaties turns positive only if the advertiser’s stock perfor-

mance is positive. And that is the crux of the issue — while there is nothing illegal about the contract per se, what needs to be factored here is that private treaties are potential causes for interested reporting by the media.

Question of Credibility

Press reports suggest that SEBI has written to the Press Council of India (PCI) on this matter last year. Not much has been heard till date. For obvious reasons, sections of the media are not reconciled to the idea of transparency, disclosures or regulations, little realising that both the media and the regulator — SEBI — are fast losing their credibility.

The least the PCI can do is to publish its draft report (containing names of the errant players), while SEBI should examine whether these arrangements violate the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. Alternatively, newer regulations must be introduced to curb this menace. Else, the Indian stock market would resemble a rigged casino. □□

Centre for holistic advancement and upliftment of poor and landless launched in Delhi



Swadeshi Jagaran Foundation launched its Microfinance Company CHAUPAL (Centre for holistic advancement and upliftment of poor and landless) on 11th of October 2010 at Wazirpur, J.J. Colony CHAUPAL is a Non-profit company registered under Sec-25 of companies Act. The company was launched by the National President of BJP Shri Nitin Gadkariji and the Kshatriya Sangh Chalak Dr. Bajranglalji. The occasion was graced by many eminent personalities like Shri Murlidhar Rao ji, (Former National Convenor of Swadeshi Jagaran Manch), Dr. Mahesh Sharma (Former Rajya Sabha MP and leader of Swadeshi Jagaran Manch), Shri Vijendra Gupta (President Delhi BJP) to name a few. CHAUPAL derives its inspiration from CBMD. Through its

microfinance project CHAUPAL would promote self reliance.

Of the four directors of CHAUPAL; three were present for the occasion. They were Sh. Bholanath Vij, Sh. V.K. Jain and Dr. Sambit Patra. During this event the first loan disbursement was performed; 85 ladies were its beneficiary. Each of these ladies was provided a loan amount of Rs. 10,000 at an interest of 12.5% for 50 weeks. The first recovery is due for 18th of October 2010.

Speaking on the occasion the national president of BJP Shri Nitin Gadkari expressed his happiness over this project and said that in keeping with the vision of Pandit Deen Dayal Upadhyay this is a true 'ANTYODAYA' mission. He pledged a donation of 10 lakh rupees CHAUPAL. He urged all the party workers to use above

political feelings and work for the upliftment of the nation. He asked them to reach out to the neglected sections of the society and engage in schemes like Chaupal that can prove to be the most honourable poverty alleviation scheme.

Shri Murlidhar Raoji said that we should always keep in mind that "Poor are efficient." It is the faulty planning that is responsible for confining these efficient and hardworking sections of the society in perpetual poverty. The event was attended by more than a 1000 people. For all those who attended the function it was an inspiring experience. They were all the praise for organizers.

The concept of micro finance endorsed by CHAUPAL was presented during the event. A brief description of the same is men-

tioned below:

What is MFI?

Microfinance is the practice of offering small, collateral free loans to members of cooperatives who otherwise would not have access to the capital necessary to begin a small business or other income generating activities. According to the Journal of Microfinance the term defines what “is arguably the most innovative strategy to address the problems of global poverty”. This view is shared by the United Nations (UN) which declared that the year 2005 would be the international year of microcredit, while their General Secretary Kofi Annan stated in 2002, that “microcredit is a critical anti-poverty tool and a wise investment in human capital.”

Presently, only 0.5 percent of India’s population has access to microfinance, microfinance services still have a long way to go to address the widespread poverty in India. Currently South India is doing better in the field of microfinance with large number of economically vibrant MFIs and high micro credit penetration except some negative impact in Andhra Pradesh. North India including Delhi has very few MFIs. They are economically backward and have low level of micro-credit penetration. Presently there is a requirement of reduction geographic asymmetries and increasing the depth of the outreach.

There are nearly 32 million people living under BPL in the state of Maharashtra among them 17.1 million residing in rural and more than 14.6 million in urban areas and its slums. Delhi, the cosmopolitan state of India, where the highest population density is in the



country, where the supreme governance body as well as judiciaries, policy makers, scientists, economists, Ministers residing, along with where the first person of India and Prime Minister residing there also nearly 23 lakh people living below poverty line out of nearly 2 Cr population. Therefore, the SJF (Swadeshi Jagaran Foundation) backed Centre for Bharatiya Management Development (CBMD) a non profit company has successfully entered in to the Microfinance sector to empower the economically weaker section and downtrodden those who are living below poverty line in the country; having a vision to reach 1 million poor families by 2016 with a brand image of reliable MFI by determinedly working in the country with diversified and client centered services.

CBMD-MFI formed in the year of 2006 in Nagpur (Maharashtra) with a mission of help the poor by providing accessibility to financial services and livelihood development activities, where they lead their lives with dignity and fulfill their needs, aspirations and ambitions to deliver citizen-responsibilities to empower the na-

tion. On the war against poverty in the country CBMD-MFI has reached 1000 member base in six months period only; on 6th June 2008, 1 Cr loan disbursement took place and with in a couple of years it disbursed 4 Cr amount of loan to the poor for income generating activities.

CBMD-MFI going ahead through group base with 100% recovery; and reached its services to more than 1,500 downtrodden and deprived people in Nagpur. Of which nearly 40% of them engaged in service activity, 35% of the borrowers are in small and local trade, more than 13% of the borrowers have loan for already existing activity that is Agri and allied activities & 11.5% of the borrowers took loan for production kind of activities with a small amount of loan. And if we look at social status wise there are more than 34% of the borrowers from economically backward classes, more than 32% of the borrowers belonged to Scheduled Castes, 18% from Scheduled Tribes and more than 12% of the borrowers belonged to Muslim community in Nagpur

[Continued on page no. 27]

Why scrap separate rail Budget? Why not separate budget for each ministry?

A separate railway budget has ensured a kind of transparency and leads to debate and discussion which budgets of any other department has rarely done, pleads Shivaji Sarkar

The finance minister's plan to scrap separate railway budget needs to be seen as something more than a competition between the two ministers. It is a battle of supremacy between two ministries. The finance ministry always wants to have an upper hand. A separate railway budget has been anathema for years. The suggestion has not come for the first time.

This should open up a debate whether there should be one consolidated presentation of budget or all ministries should present their own budgets. In reality, despite presentation of the central budget, all ministries present budgets of their departments separately even now but quietly. They do it as a subsidiary or explanatory function.

So why is this hullabaloo about the railway budget? Finance

minister Pranab Mukherjee is pushing for a single Budget also because the present custom of Rail Budget being presented to Parliament by the railway minister, two days prior to the General Budget, is a pre-Independence practice as per the Separation Convention of 1924. "There is no constitutional provision for a separate Rail Budget."

The controversy in reality is not over the separate budget but its presentation before the general budget and the attention that it gets. It is one thing that the entire nation awaits. Every citizen feels concerned about the rise and fall in fares or introduction of a new train.

Constitution does not provide for everything but it has also accepted certain conventions. A separate railway budget has always fixed responsibilities on the railway

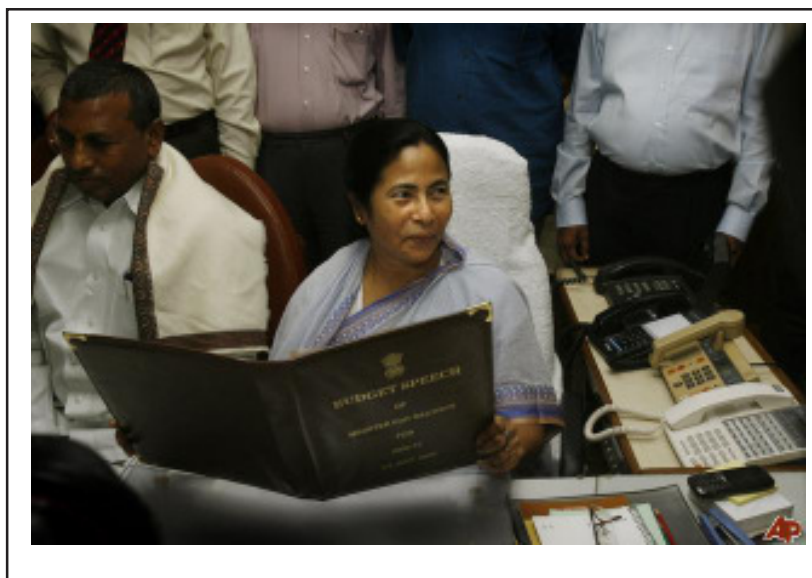
ministers. Their performance is judged on the functioning of the railways. The budget virtually has become their report card. It has also ensured a kind of transparency and leads to debate and discussion which budgets of any other department has rarely done.

The railways get central support of only Rs 15,000 crore. The rest of the Rs 97721 crore budgetary supports are generated by the railways themselves. Whatever plan support it gets, it refunds as dividend to the government. Railway is more like a corporate balance sheet. The government is not spending on the expansion of railways. It is being done by the railways but it has to go through the vetting process of planning commission.

The nation knows how railway funds are generated and spent. If some minister had fudged figures, that is also public knowledge. Do not such things happen in other departments? May be but it does not come out in the open. **In the overall discussion of the general budget the minute scrutiny of allocations and expenditures of different departments get overshadowed.**

This calls for presentation of their budgets in a detailed form so that there could be an open debate.

Some of the departments and ministries have budgets larger than that of the railways. But that is generally not public knowledge. The



people also do not know how that money is spent or even utilised properly or not.

The social services have a budgetary allocation Rs 106887 crore, larger than the railways. It has rarely evoked a discussion. In reality, it should have raised a debate about the focus of its expenditures. Has anybody ever tried to look at its impact over the years?

Similarly agriculture and allied activities have annual budgetary provision of Rs 107813 crore in 2010-11. It has been reduced by Rs 58 crore this year. Nobody has questioned why it has been cut when the food production has to increase.

This is what the advantage or disadvantage of not having a separate detailed budget of the sector. It loses public attention. Had it come as a separate budget, it could

have created uproar particularly at a time when food prices are soaring and it is said that the country is facing an acute food shortage.

Similarly the defence budget has been reduced to Rs 91152 crore this year from Rs 92026 crore in 2009-2010. Some defence writers have written it. Nobody, however, has questioned why it has been reduced at such a critical juncture when the country is having a difficult security scenario.

The government shows a huge disbursement on the transport sector. It has never been analysed properly, if the government has been spending so much on the transport sector, why the basic transport infrastructure almost all over the country has remained at a rudimentary level, except in some states. The answer is not difficult to

seek. The government has included the railway budget expenditure as its own to inflate the figures.

This is what a general omnibus budget does. It reveals less and conceals more. Internationally the demand of World Bank and International Monetary Fund is to make the budgetary process more transparent. The finance ministry's suggestion to club the railway budget would only defeat that purpose.

The country needs to evolve a system where each of the departmental budgets comes to the scrutiny of the public. The standing committees of ministries have a limited role of checking the budgets. But it cannot create the kind of transparency that separate budgets of each department would lead to. □□

[Continued from page no. ----]

Centre for holistic advancement

town of the Maharashtra State.

CBMD-MFI not only offering credit to the poor in the Maharashtra and in Delhi, also motivating to save the money for their future blossoms and for next generation safety, offering training for small and micro enterprises, small business activities, motivating group discussions to take group decisions for their member needs and requirements, ultimately it makes them self dependable in the society through group discussions; they can reduce the evil in the society of their surroundings, and they can give up their bad habits through this kind of atmosphere. Many economists strongly believing that if poor can access the money for their urgent needs in economic generating activity, then they can en-

large their activity, then they will earn some margin money; this will push up the literacy rate of their children, reduce hungry problems, save the money for their future, will have self decisions without depending on others. Therefore, microfinance activity can be said the tool of empowerment of the poor and wise investment in human capital.

Current MFI Status in India

As only 0.5% of India's population has access to microfinance, micro finance services still have a long way to go to address the widespread poverty in India.

Currently South India is doing better in the field of micro finance with large number of economically vibrant MFI's and high micro-credit penetration. North

India including Delhi has very few MFI's. They are economically backward and have low level of micro-credit penetration. Presently there is a requirement of reduction geographic asymmetries and increasing the depth of out-reaches.

Future Course of Microfinance

Microfinance section has covered a long journey from micro saving to micro-credit and then to micro enterprises and now entered into the field of micro insurance, micro remittance, micro pension and micro livelihood. This gradual and evolutionary growth process has given a great boost to the rural poor in India to reach reasonable economic, social and cultural empowerment, leading to better education, better health and overall a better life of the participating households. □□

Report by Dr. Samvit Mahapatra and Lingammurthy

Significance of Traditional fishing not recognized adequately

Swadeshi Samvad

Traditional fishing occupation with more than 1.5 crore population depending on the wealth created through different activities in this sector is a vital sector of Indian economy. The people employed in this occupation including women in primary, secondary and tertiary sector makes this very important after agriculture and weaving sectors. India with more than 8000 km coastline, around 3200 marine fishing villages, more than 50lakhs of marine fisher population, inland fish resource area 197,024km in the form of Rivers and Canals, Reservoirs consisting of 3.15 million ha, Ponds and Tanks totaling around 235million ha, Lakes etc- around 1.35million ha and Brackish waters-1.24million ha has huge potential to meet the present and also future employment and food security needs in a very significant way. Apart from these areas, we also have EEZ to the extent of more than 2.02 million sq.kms to utilize the entrepreneurial and the traditional skill base of our fishermen to augment the growth of fish catch in the years to come. These are the views expressed by Sh. Muralidhar Rao, All India secretary, Bharatiya Janata Party, at a press conference addressed in Vishakapatnam on 15th, October2010. He in fact had undertaken a journey of the districts of Srikakulam, Vijayanagaram and Vishakapatnam.



According to UN reports, our country has the marine potential at 3.93million T (2000) against which we have average fish catch stood at 2.81million T in the ten years (95-05). 63% of this fish catch is coming from the west coast and the rest is coming from the east

India stands at 27th rank in value and 23rd in volume terms in the context of marine exports and it is contributing more than Rs 8000 crores to the country's foreign exchange earnings.

coast, reads the release. Presently, we have fishing units around 208000 traditional crafts, 55000 traditional motorized crafts, 1250 mechanized boats and 100 deep-sea fishing vessels operating in marine sources. India stands at 27th rank in value and 23rd in volume terms in the context of marine exports and it is contributing more than Rs 8000 crores to the country's foreign exchange earnings. The average annual value of total fish output during the tenth plan has touched Rs 31,682.50 crores.

Talking about pains and difficulties of the people of this sector are facing due to the inadequate planning, attention & support from both central and state governments in the last few years, Murali ji underlined following areas of concern.

Near Zero Credit: UPA failure

The credit penetration by the formal banking sector is not at all found in any of the villages or even in the advanced centres like Vishakapatnam fishing harbour. The boats non motorized or motorized and mechanized, investments ranging from Rs20000 to Rs 26 lakh are completely invested by the fishermen from their own savings or many a times loans drawn from the informal sources at the exorbitant interest rates thus loosing any advantage, whatsoever- of owning the fishing units and consequently weaving a debt trap for themselves. Even, the fishnets of different kinds are sourced from their own capital pooled among themselves. Not to talk of accessing of 'working capital' for the purpose of motor fuel which accounts for main expenditure or for the processing and marketing needs. This is resulting in wide spread poverty among the fishermen in the coastal area and forced migration. 50% to 70% able-bodied young male from villages are compelled to migrate to distant places in search of alternative jobs, creating sometimes a deserted spectacle.

UPA has not evolved any directive to strictly enforce to achieve the tangible targets in this sector. The primary fish cooperatives have become non functional in all the three districts.

The talk of bringing an 'Ordinance' recently by the Chief Minister in the context of exploitation of the situation by few Mfi's in AP would not serve any purpose in these villages in the absence of banks participation in meeting the investment and working needs of these people. Corrective action

50% to 70% able-bodied young male from villages are compelled to migrate to distant places in search of alternative jobs,

from the government really flows when this lapse is actually rectified. The shocking fact is the state government has failed to clear the dues to the tune of Rs20 crores for the boat owners in Vishakapatnam harbour for the last 2yrs on account of sales tax rebate on diesel consumption.

Absence of 'Minimum infrastructure'

The basic infrastructure needs like village street electrification, drinking water facility, access to firewood or any appropriate cooking fuel, roads to connect the market places, sanitation are not attended by the present government. Womenfolk are subjected to humiliation and hardships on account of these inadequacies and many a times due to the insensitive local administration. Health infrastructure both physical and human is also either absent or non functional.

Due to the unavailability of storage, drying and preservative infrastructure in the fishing villages these people are made to incur huge losses in the form of quality deterioration of the marine produce.

Land Acquisition: Depriving them from pursuing their traditional occupation

It is very unfortunate to see, the lands acquired to establish Gavgaram private port, NTPC,SEZ and a Naval base thereby displacing the villagers have created uncertainty, strain and loss of livelihood for thousands of families without providing them with adequate compensation. The promis-

es made at different intervals have proved to be writings on the water. The sad part of the story is that these poor and illiterate people are not only deprived with their natural right of unlimited and unfettered access to seas to pursue age-old traditional occupation of fishing but also subjected to police high handedness and harassment through fabricated court cases.

Unabated Industrial and Chemical Effluents: Diminishing Fish

The large-scale industrialization, which has been allowed in recent years to come up in the coastal area without having any strict regulatory regime, has devastating impact on the livelihood, marine livestock and on the health of the people. No scientific evaluation studies have been conducted periodically so as to safeguard the sustainable growth practices. People, in all most all villages have complained about the fast diminishing fishing resources and wide spread incidents of marine live stock dyeing. Flying ash and iron dust emanated from the power stations and steel plants are causing loss for both agriculture and human health in the surrounding villages.

Lack of Technology and Scientific support

The fishermen involved in fishing, processing and marketing have been seen quite often working with the tools which have been in use for the last so many decades. The technological development, which has taken place in our country, has not been applied for the benefit of these people. □□

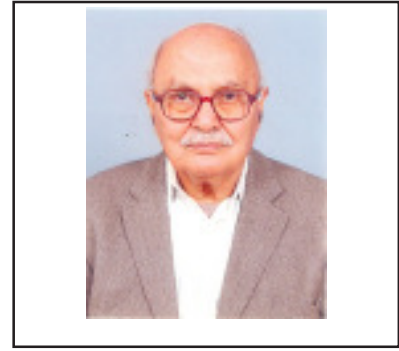
Sitaram Bharadwaj A Swadeshi Karamyogi

Sitaram Bharadwaj, the cheerful, affectionate and always available face in central office of Swadeshi Jagaran Manch, is no More. Sitram ji came into contact with Swadeshi Jagaran Manch in 1993, when the national convention was held in New Delhi. He took the responsibility of the first office of SJM that started functioning from the residence of Uma Bharti on Baba Kharak singh Marg. It was the period when SJM was being shaped as an organisation. He thus became the first in charge of the office that had no resources, Sitram ji took it on him the responsibility to lay down the solid foundation of the work culture that became the guiding principles for subsequent office bearers. He would reach the office in time without fail at 10 AM and remain there till 5PM, attending to all the requirements and ensuring a proper working environment. He would at times clean the office himself but not compromise with the cleanliness. He was ready to offer water to visitors if no one was around, recalls Murali Dhar Rao, the former National convener of SJM. The SJM office developed as a centre to have live contact with the grassroots level activists throughout the country, a tradition that continues till date, adds Murali ji. This vibrancy we owe to Bharadwaj ji.

SJM, we knew from the very beginning is a long drawn struggle. In any such effort evolving an institutional mechanism, particularly in keep up accountability and transparency in maintaining ac-

counts is always difficult but essential. It goes to the credit of Bharadwaj ji that accounts of SJM, that at times had real huge amounts, were and are being maintained with complete transparency and truthfully. Being the CA pass out of the first batch of CA's of independent India, he was able to use his professional expertise and ethics in developing SJM account management code. SJM over the years has been able to acquire assets all over the country and the organization has grown into a multidimensional force. This makes the account management further difficult. But the mechanism evolved with care by late Sitaram ji has ensured that the task is undertaken with comparative ease by the new incumbents says Murali ji with a lot of emotional gush. His meticulous maintenance of records was also evident in Swadeshi Foundation, the Trust of which he was a founding member. He was keeping minutes of the meeting very carefully and was very keen to ensure adherence to requirements with a sense of religiosity.

Account and asset management was not the only forte of Bradwaj ji. He was a linguist with a command over English and Hindi and a fair amount of knowledge of Sanskrit. This was put to use for publishing swadeshi literature. He would do the proof reading for swadeshipatrika and the booklets that were published from time to time. He was not a simple proof reader and was instead doing the corrections relat-



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ed to languages and was prompt to suggest appropriate words whenever necessary.

As mentioned earlier Sitaram Bhardwaj was the First Batch CA of independent India. He went on to become the chief General Manager of MMTTC. After retirement he devoted his entire time and expertise to Swadeshi Movement, working in different capacities without break from 1993 till his end. He was the incharge of central office and also All India Treasurer of SJM. He did not draw any emoluments nor did he charge anything for the services he provided to the organization, not even for his transport. On the contrary he contributed to different projects generously from his own savings. He continued to attend the office till last.

He was a true and punctual swyamsewak in real sense of the word. He had come in contact of Sangh in Lahore during his student days. He continued to remain in contact even while in service and had close relations with Sangh leaders like Ma. Madhavrao Mule ji. It was the inspiration from RSS that convinced him to be a Vaanparasthi Precharak. He was particular in using Swadeshi products only and would always point out to any discrepancy in this regard whenever he

[Continued on page no. 31]

Adoption of Sampoorna Rojgar needed for wellbeing of society

Swadeshi Samvad

A daylong seminar was held under joint auspices of Deendayal Prerana Kendra and Ekatma Vichar Kendra on the very important topic of Sampoorna Rojgar at Thane on Saturday, 2nd Oct. 2010. Contribution of Mahatma Gandhi, Lal Bahadur Shastri and Pt. Deendayal Upadhyay was recalled.

Prof. Aniruddha Deshpande, former Principal of Brihanmaharashtra College of Commerce and member of the Kendriya Karyakari Mandal of RSS, in his concluding remarks, stressed the need to adopt this goal of Sampoorna Rojgar since this is essential for the overall wellbeing of the society. Among others, he made the following points:

1. Productive employment is ultimately the primary guarantee of satisfying human needs and aspirations.
2. However, the government or the planning commission has

never talked about a goal of full employment in the last 62 years.

3. Making homes, instead of factory, the centre of production to avoid factory-related social evils, increase participation and ownership of women and save families from stresses and strains of modern business.
4. Present lopsided planning and development process still leaves us with 37% of population below poverty line after 63 years of independence.
5. We must also think and take steps to prevent growing gap between the incomes of various groups e.g. in top 8 IT company employees the ratio of top and bottom earnings is as high as 80:1.

Finally he stressed need for *samyak vikas* under *Ekatma Manav Darshan* (overall national philosophy for national reconstruction and sustenance) to have de-

velopment which tackles all problems in an integrated way.

Earlier the seminar was inaugurated by the noted industrialist Shri Ravindra Prabhudesai who drew attention to the paradox of rising unemployment and not-getting right persons for the available jobs. He also emphasized need to consider not only IQ but Emotional Quotient as well as Spiritual Quotient to turn the work from monotonous haphazard work into an well accomplished work with all-round satisfaction.

After discussing Sampoorna Rojgar principles under *Ekatma Manav Darshan*, based on a draft document, various Employment aspects were discussed under the three broad heads of Agriculture, Industry and Services to formulate a policy and action plan.

Seminar was well attended by academia, social activists and persons interested in employment policy measures. □

[Continued from page no. 30....]

found one. Use of Hindi and other national languages was also important for his Swadeshi dharma.

He is survived by wife, a son and a daughter. He left for his heavenly abode on 10th Oct. 2010 at an age of 85 years. He was active till his death. He will continue to inspire future generation of SJM activists.

He remained with it till last. In this long association spread over almost two decades Sitaram ji came in contact thousands of activist and instantly developed a rapport with

everybody young and old.

This was quite clearly visible in both cremation and the "Shradhanjali" function organized in Central office of SJM and attended by a large number of Swadeshi Karyakarta's.

Rich tributes were paid to Late Bharadwaj ji by his former colleagues. Ishwar Das Mahajan, Ramesh Prakesh, Dr. Mahesh Sharma, Sh. Muralidhar Rao, Dr. Ashwani Mahajan and Sh. Krishan Kumar Athasia recalled their association with the departed soul.

An emotional Ishwar ji cited several anecdotes of 40's when Sitaram ji was a student in Lahore and used to return to Himachal during vacations. He was in particular for full praise for caring attitude & bravery of Bharadwaj ji.

Dr. Mahesh Sharma on highlighted the respect Bharadwaj ji would give to colleagues much junior in age. His ability to work under young people without any hesitation, regret or remorse was because of his knowledge, Mahesh ji added. He was all humility. □□

Government asks PSUs to partner Tata in social responsibility

The government says the Central Public Sector Enterprises (CPSEs) can consider partnering with the private sector groups like the Tatas to execute their corporate social responsibility projects.

Secretary in the Department of Public Enterprises Bhaskar Chatterjee said at a Standing Conference of Public Enterprises function here, "It would be worthwhile for the CPSEs to combine with the private firms or to share experience so that CPSEs need not reinvent the wheel,"

The Department of Public Sector Enterprises (DPE) has made it mandatory for the CPSEs to contribute a certain percentage of their net profits for executing the CSR projects, which need not be restrict-

ed to blood donation camps. They should include projects like building houses in the calamity hit areas.

According to the DPE norms, the CPSEs with net profit of Rs 500 crore or more have to contribute 0.5—2.0 per cent for the CSR.

Those having net profit (NP) of Rs 100—Rs 500 crore have to shell out 2—3 per cent and the companies with less than Rs 100 crore of their net earnings have to contribute 3—5 per cent of the amount.

Chatterjee said, the government—owned firms can also tie up with smaller units in implementing the CSR projects. "They could also have partnerships with the small units with both the physical and financial involvement," he said. □

Left parties still stuck in 1940s

In a candid overview of the state of the Left parties in India, CPM general secretary Prakash Karat has said that the Leftist forces, who were still "banking on the concepts and theories of the 1940s" needed to understand the sweeping changes being witnessed by the nation.

In one of the key presentations at the "Lessons of Empire" conference at the University of Cambridge in memory of noted Marxist historian Victor Kiernan, Karat admitted that Left parties were "deficient" in theory and needed to study and understand the new developments sweeping India.

Calling himself the only 'non-scholar' among the speakers that included academic stars such as Eric Hobsbawm and Christopher Bayly, Karat recalled Kiernan's friendship with Indian Marxists such as PC Joshi and EMS Namboodiripad and recalled that he was always unrestrained in his criticism of some aspects of the Communist Party of India. Recounting the genesis and history of India's Left, Karat recalled that Kiernan would often criticize the party leaders and cadre, some of whom he called the "cafe going intellectuals", for indulging in political gossip.

Poor get less food from Sonia's NAC

The National Advisory Council, headed by Congress President Sonia Gandhi, has settled for a much less ambitious National Food Security Act than it had previously agreed to.

Scaling down its recommendations, it decided to recommend subsidised foodgrains for 46% of the rural Indian population and 28% of the urban population.

The pruning of the recommendation had an immediate fallout, with the NAC member Jean Dreaze,

face of the right-to-food security campaign, submitting a dissent note. He accused the government of pressuring the NAC to accommodate its demands, and turn the Bill into a minimalist proposal.

"Constraints imposed by the government that do not leave scope for anything like what is required to address the problem of hunger and undernutrition. The NAC proposals are a great victory for the government — they allow it to appear to be doing something radical for food security, but it is actually more of the same," Dreaze said in his note.

The NAC has recommended that 48% rural and 28% urban population will get 35 kg of food grains every month. Rice will be given at Rs 3 a kg, wheat at Rs 2 a kg and millets at Rs 1 a kg.

The reverse flip came after the Congress chief was convinced by the PM of limiting the subsidy burden and expanse of the scheme, and she also expressed her reservations about the difficulty of justifying why those living above the poverty line would get the same benefits as the poor.

The NAC also recommended that those living above the poverty line but not well off — 44% and 22% in rural and urban areas, respectively — will be entitled to 20 kg a month at half the price that the government pays for the foodgrains — less than the APL prices at the moment.

The NAC had to also back off from its earlier proposal that the government select the poor on the basis of their social groupings — SCs/STs, single women households and other vulnerable groupings being selected automatically. While the NAC wanted the selection criteria to be also built into the provisions of the law, this would now be decided by the government separately with

the artificial cut-off percentages of the beneficiaries being mandated by the Planning Commission for every state on the basis of Tendulkar report computation.

Govt not to pursue Bhopal compensation case in US courts

Following Attorney General of India's advice, the Centre has decided against pursuing the case of Bhopal gas tragedy compensation in the US courts, observing it was not in interest of the country or victims.

"We have taken a decision not to pursue the case as it is not in the interest of victims and not in the interest of India. We have taken a considered decision. Our courts are competent and capable of resolving... (the matter)," law minister M Veerappa Moily told reporters. He was responding to a question on the opinion of Attorney General G E Vahanvati that India should not become a party in compensation-related cases in the United States.

In an advice to the Group of Ministers (GoM) on the 1984 Bhopal tragedy, the AG had asked the Union government not to pursue the Bhopal gas tragedy case in US courts. Some American lawyers had apprised the Centre about a lawsuit in this regard and had asked it to become party in the compensation case, the sources said.

Set up to re-examine the gas tragedy, the GoM, headed by home minister P Chidambaram, had recommended the central government give additional compensation worth Rs 1,500 crore to the victims & petition the Supreme Court for a review of its judgment that diluted charges against the perpetrators among other things.

Shunglu gets SC judge status to probe CWG mess

Government has conferred the status of a Supreme Court judge on V K Shunglu, head of the two member high-level probe committee, to go into the alleged financial irregularities in the Commonwealth Games with greater authority.

The order enhancing the status of Shunglu, a former Comptroller and Auditor General, was issued by the the Cabinet Secretary, which also provides for the member Shantanu Consul, to enjoy the status of Secretary to the Government of India. Consul, who retires this week end from the government as Secretary, Department of Personnel & Training, will join the HLC as its member, after Oct. 30.

The committee will have the authority to summon officials, inspect records, call evidence and to look into all the official documents pertaining to the mega

sporting event that came under sharp focus following allegations of massive corruptions.

Sources said that the Shunglu panel has been given a "free hand" to decide its course of action including probe procedure, manpower requirements and appointments of advisers and counsels to further investigations. They said the Ministry of Sports has been asked to extend all possible support to the Committee, set up by the Prime Minister Manmohan Singh on October 15 to investigate the scam & submit its report within 3 months.

The committee will examine the "weaknesses in management, alleged misappropriation, irregularities, wasteful expenditure and wrongdoing in the conduct of the Games and recommend action". It would also probe the issues relating to the effectiveness of the organisational structure and governance for organisation, preparation and conduct of the Games at all levels, including the Organising Committee and its key functional areas.

The Committee will also probe the role of international or national advisors/consultants/officials of the Organising Committee in conducting the Games.

The Shunglu panel will also consider any complaint from public, duly supported by documents, concerning the conduct of the Games.

Raju to be CEO of jail BPO?

State prisons department is toying with the idea of using Raju's expertise in handling operations efficiently at the country's first prison BPO unit, which is all set to start operations on November 1. Though on a trial basis for now, prison officials hope that the BPO venture would benefit from disgraced IT czar Raju's long years of experience in making such projects a profitable venture. Well, this is assuming that his health permits him to stay behind bars and not in a hospital.

"We will use his ideas to improve the existing infrastructure and also seek his opinion on how best to utilise manpower available at our unit," said CN Gopinatha Reddy, director general of prisons. As on date, the BPO unit has its hands full with projects & looks good to work on a few big assignments simultaneously post inauguration. Having already bagged the census data compilation project and the manual digitisation work, talks are now on with a few big names in the banking sector to get more work for the jailbirds manning the prison BPO. Department officials explained that getting associated with projects in the banking sector would involve the BPO workers verifying scanned cheques & related documents. With Raju, who cooked up one of the world's biggest corporate scams ever, he could well turn into the prison's best 'in-house' expert to nit-pick on financial documents. □□

China launches own version of Google Earth

China has launched an official online mapping service as US Internet giant Google continues to hold out on applying for a licence to provide a similar service in the country, state media says.

The government-backed service Map World is free & allows users to search for 2 and 3-dimensional images across the globe, the China Daily said. "In the near future, Map World will grow to be a famous Chinese brand for online map services with proven reliability," Xu Deming, director of the State Bureau of Surveying and Mapping, was quoted as saying.

The technology and website construction for www.tianditu.cn and www.chinaonmap.cn are still "at a preliminary stage", the report added.

The service is expected to update its geo-

logical data twice a year, while Google Earth is able to update every couple of minutes, said Jiang Jie, another official at the surveying and mapping bureau.

Google's mapping service in China has been left in limbo after the government introduced new rules in May requiring all firms providing Internet map and location services in the country to apply for approval from the bureau.

The new rules require foreign firms wanting to provide mapping and surveying services in China to set up joint ventures or partnerships with local firms and keep servers on the mainland. Last month, authorities granted licences to 31 companies including Finnish mobile phone maker Nokia. □

Pak legislators want liquor curbs lifted

Pakistani legislators are advocating lifting of the ban on sale of liquor in state-run hotels and resorts in a desperate bid to "attract tourists and increase revenue", media reports. In a meeting of the Senate's standing committee on tourism, chairperson of the committee Nilofer Bakhtiar questioned the "wisdom behind imposing the ban on government-owned hotels when the private five-star hotels are allowed to sell liquor".

"We will recommend lifting of a ban on the sale of liquor in government-run hotels and motels, enabling them to overcome financial difficulties," she said.

"If we want to attract maximum number of tourists, we should provide them with a complete set of facilities," she added. None of the committee members objected to the idea as such. Pakistan's tourism industry has been in doldrums for the last several years because of terrorist activities and lack of facilities despite having exquisite tourist spots.

Dollar at new 15-year low against yen on G20 comments

US Treasury Secretary Timothy Geithner said he believed China was ready to allow its yuan to rise. The US dollar has hit a 15-year low against the yen after the G20 nations agreed to avoid a currency war. The weekend talks, in South Korea, saw the group of 20 major advanced and developing na-

tions, agree to avoid competing to lower their currencies. The meeting sparked another fall in the US dollar, which fell 1% against the yen to 80.52 yen. The lower dollar also boosted the price of metals. In London trading, base metals rose by an average of 2.5%. Copper was at its strongest since peaking at a record in July 2008, hitting \$8,549 a tonne, while lead and zinc hit their highest in nine months. The dollar is being undermined in part by the view that the US will start a new round of Quantitative A lower currency can help to boost a country's exports by making the goods relatively cheaper to foreign buyers.

China and the US are at the centre of the story, with the US most concerned about the level of China's yuan, which does not trade freely on the currency markets. The US wants China to allow the yuan to rise to make its own goods cheaper within the country, and China's goods more expensive for US citizens.

Coalition victory in Afghanistan 'impossible'

Former Soviet leader Mikhail Gorbachev has said it was "impossible" for coalition forces to secure victory in Afghanistan. Gorbachev, who was in charge when Soviet troops withdrew from Afghanistan in 1989 after a war lasting nearly a decade, added that the alternative to pulling out troops was "another Vietnam" which "wouldn't work."

He backed US President Barack Obama's July

2011 date for starting to withdraw troops and handing more responsibility to Afghan forces, even though he said it would be “difficult.” “Victory is impossible in Afghanistan. Obama is right to pull the troops out no matter how difficult it will be,” Gorbachev said in a BBC interview broadcast. He added that it would be “difficult” for the US to pull out of Afghanistan because the US had previously trained militants there who were still “terrorising” the region.

“It will be more difficult for America to get out of this situation. But what’s the alternative? Another Vietnam? Sending in half a million troops? That wouldn’t work,” Gorbachev added. The Taliban were ousted from power by a US-led invasion in 2001.

Pakistani Taliban killed Benazir Bhutto

Tehreek-e-Taliban Pakistan (TTP) was responsible for the assassination of former prime minister Benazir Bhutto, concluded a probe carried out by the country’s Federal Investigation Agency. The investigation report has accused slain TTP chief Baitullah Mehsud of masterminding Bhutto’s murder.

Bhutto was assassinated on December 27, 2007 after addressing an election rally in the northern Pakistani city of Rawalpindi. A teenaged shooter was seen aiming for her head in the CCTV footage before a powerful suicide blast killed at least 24 people participating in the rally.

The interior ministry at that time had accused Taliban of plotting to kill Bhutto while the doctors had said that “her head banged against the lever of the sunroof which caused her death”. The report now says that the three absconders were killed in a military operation in tribal areas. The probe team had earlier decided to send a questionnaire to the interior minister since he could not be summoned or interrogated as he is a minister. However, no questionnaire was eventually sent to him.

UK internet economy ‘worth billions’

The research, which was commissioned by Google, found that the internet accounts for 7.2% of the UK’s gross domestic product (GDP). If the internet was an economic sector it would be the UK’s fifth largest, said the report from the Boston Consulting Group (BCG). This would make the sector larger than the construction, transport and utilities industries.

Some 60% of the £100bn a year figure is made up from internet consumption - the amount that users spend on online shopping and on the cost of their connections and devices to access the web. The rest comes from investment in the UK’s internet infrastructure, government IT spending and net exports.

The report, *The Connected Kingdom: How the internet is transforming the UK*, says that the internet’s contribution to GDP is set to grow by about 10% annually, reaching 10% of GDP by 2015. The UK, according to the report, is the world’s leading nation for e-commerce. For every £1 spent online to import goods, £2.80 is exported.

“This is the opposite of the trend seen in the offline economy, which exports 90p for every £1 imported,” the report says. Internet companies play a vital role in employment with an estimated 250,000 staff, the report finds. Small businesses that actively use the internet report sales growth more than four times greater than that of less active companies.

North Korean heir apparent attends pro-China rally

The youngest son and heir apparent of North Korean leader Kim Jong-il attended a mass rally in tribute to the 60-year-old military alliance with China, state media reported.

Kim Jong-un took the reviewing stand at Pyongyang Indoor Stadium with his father and Colonel General Guo Boxiong, a vice chairman of China’s Central Military Commission, the official Korean Central News Agency and Central Television reported. Official media said the rally “was held with splendour” to mark the 60th anniversary of the entry of Chinese forces into the 1950-53 Korean War.

The intervention forced a US-led UN force fighting for the South to retreat from deep inside the North. The conflict ended in a truce, leaving the peninsula still technically at war. State media praised the North’s “blood-sealed” friendship with China.

Jong-Un, in his late 20s, was promoted to a four-star general and given powerful posts in the ruling party late last month. A senior Pyongyang official has officially confirmed he is the leader-in-waiting. China, the North’s sole major ally and its economic prop, has apparently given its blessing to another dynastic succession. President Hu Jintao has invited its new leadership to visit China. □□

China Halts Rare Mineral Exports To US And Europe

China, which has been blocking shipments of crucial minerals to Japan for the last month, has now quietly halted shipments of some of those same materials to the United States and Europe. The Chinese action, involving rare earth minerals that are crucial to manufacturing many advanced products, seems certain to further ratchet up already rising trade and currency tensions with the West. Until recently, China typically sought quick and quiet accommodations on trade issues. But the interruption in rare earth supplies is the latest sign from Beijing that Chinese officials are willing to use their growing economic muscle.

China mines 95% of the world's rare earth elements, which have broad commercial and military applications, and are vital to the manufacture of diverse products including large wind turbines and guided missiles. Any curtailment of Chinese supplies of rare earths is likely to be greeted with alarm in Western capitals, particularly because Western companies are believed to keep much smaller stockpiles of rare earths than Japanese companies do.

WTO Discussion on Financial Services and Development

China has proposed discussions under an agenda item on "financial services and development" at the WTO to examine the "gains and pains" of financial liberalisation and financial regulatory practices suited to developing countries.

Financial services are the lifeblood in the modern economy. However, the global financial service market of today is in a rather unbalanced situation. The developing countries are lagging far behind in terms of both access to financial services and capacity to supply financial services. To encourage more discussion on the subject of "how trade in financial services could play its role in promoting economic growth and development" in the WTO, China has proposed to add "Trade in Financial Services and Development" as an agenda item for the discussion of this Committee. It has suggested a few topics for discussion.

1. The Role of the Financial Sector in Promoting Economic Growth and Development
2. Experiences in Liberalizing the Financial Sector: Gains and Pains
3. Challenges and difficulties faced by developing-country Members in making further liberalization commitments: clarifications and exploration of possible solutions.

4. Regulatory Practices & Trade in Financial Services.

The financial sector without a sound regulatory system is a "wild beast without a rein", as was demonstrated in the recent financial crisis. Sound regulatory practices are therefore crucial to the healthy development of the financial sector & trade in financial services.

Fossil fuel subsidy & fight against climate change"

WTO Deputy Director-General Harsha V. Singh, says that "fossil fuel subsidy reform would accelerate our movement towards renewable, and less polluting, sources of energy." He was speaking in opening a joint conference by the Global Subsidies Initiative, the International Institute for Sustainable Development and UNEP at the WTO headquarters,

Climate change is one of the most challenging environmental and developmental issues of our times, he added. Fossil fuel subsidy reform is undoubtedly one of the important tools in the hands of the international community in the fight against climate change. It would accelerate our movement towards renewable, and less polluting, sources of energy.

International negotiations to fight climate change are continuing under the auspices of the United Nations Framework Convention on Climate Change. The Copenhagen Accord, that was dismissed by many at the end of last year as being a failure, has slowly proved its utility. The Accord is now part of the rich background landscape of environmental law against which WTO rules would be interpreted and applied.

US ban on Chinese poultry is illegal

WTO panel has ruled that a US ban on Chinese poultry is illegal – the first such reprimand for legislation brought in under the Obama Administration. Last year US trade organizations and food companies urged the Obama Administration to oppose a provision in the 2009 Omnibus Appropriations Act preventing the US Department of Agriculture (USDA) from allowing imports of cooked poultry from China. However, the provision was included, continuing a five-year ban on Chinese poultry sparked by the 2004 avian flu outbreak. China asked a WTO trade resolution panel to intervene about a year ago.

The WTO agreed with this complaint in its dispute settlement report, calling the US position "origin-based discrimination" and saying that the United States' argument that China has different levels of poultry safety compared to other WTO members was "hypothetical" & no evidence had been presented. □□