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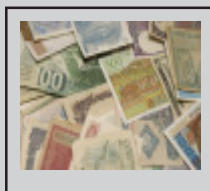
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Irritating discrepancy

June 10 issue of swadeshipatrika was very appropriate and timely. Naxal menace has emerged to be the most dangerous threat to the nation. Yet people continue to play politics. Innocent countrymen are being killed every day, be that uniformed security forces or unarmed innocent civilians including the tribals in whose name the dance of death is going on. While people usually take sides according to their political affiliations swadeshipatrika correctly elevated the discourse to ideological levels. In this connection the lead article written by Swadeshi singh ji was simple straight, unambiguous and crisp.

He is absolutely right when he says that "the Maoists are not only challenging the state of India but also ruining the idea of India". This is fresh and forthright expression. Unfortunately our leadership is divided into so many groups and subgroups that make any pan Indian response to this menace ineffective. Divided opinion on the use of Army against naxals is just one example. Difference of opinion in democratic set is natural. But when these differences become reason for inaction it is worrisome. I suppose it is just the right time young India asserts itself.

– Shoba Arora, New Delhi

Indians underpriced

In Bhopal India sold its dead cheap..3.4 cents to each dead or harmed. But this and the previous governments are selling the living cheap too. This is one government that needs to be booted out of power. And every MP should be classified as a criminal for selling this country and its resources and decimating the basic survival options of millions of rural citizens. The Ministers and MPs are using the security forces to save their lives and those of corporate criminals.

Bhopal is a symptom of wider malady the globalization of corporate criminality. Just 8-10% Indians are benefitting from these criminal acts. Rest are starving. No basic amenities are available to vast majority of people. They are living a subhuman life. While rich and powerful continue to enjoy. We are are inviting social unrest that can destroy all the progress we have made so far. Noted Journalist MJ Akbare put the sentiment beautifully by asking, "Is India growing at 8% Indians growing".

– Arun Khanna, Batala, Punjab

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Quote-Unquote



The Bhopal gas verdict is one case where justice is delayed & practically denied. I would like to say justice is buried.

M Veerappa

Union Minister for Law



We have dealt with all issues — compensation, legal issues and issues pertaining to pursuing the extradition of Warren Anderson.

P Chidambaram

Union Minister for Home Affairs



I hope that Arjun Singh would reveal the truth to the public without any further delay as this is not a political issue but a question of human sensitiveness.

Shivraj Singh Chouhan

Chief Minister of Madhya Pradesh



The Armed Forces Special Powers Act is a misunderstood Act and all who ask for its dilution or withdrawal, probably do so for narrow political gains.

Gen. VK Singh

Chief of Army Staff

Bhopal Verdict Indian ruling class exposed

*"In the End, we will remember not the words of our enemies, but
the silence of our friends."*

– (Martin Luther King, Jr.)

India is fuming. Anger is spilling over. Furious Indians are communicating their annoyance in every possible way. "If there is a failed state in the world, it's India. It's not Iraq. It's not Somalia. It's not Sudan. It's India," wrote an angry Indian. "You can go on showering choicest abuses for the judiciary, especially the Supreme Court, for watering down the provisions of Indian law usually applied to road mishaps so that the Company Bahudur (as the East India Company was then known) could escape unscathed, the fact of the matter is that the Indian democracy has over the years been reduced to "of the industry, by the industry and for the industry," says another. Pages and pages have been filled with choicest abuses for the people responsible for failing India as a country. There is a major swing away from usual drawing room condemnation in the response of the people this time. People are not confining their fury to part time gossip only. Prevailing sentiment within the country can be measured by the promptness with which government got engaged in damage control exercise. Be that to shift blame of allowing Anderson to flee the country or to distance itself from the court decisions to water down charges against culprits. But all these efforts are not paying any result. People across the board are not ready to buy any argument of the ruling elite who are interested more in transferring blame to every other person than themselves. Rulers refuse to recognize the fact that common man is considering them responsible for not only sabotaging the delivery of justice but in fact believes and rightly so that those at helm of affairs both, now and then, are actually involved from the day that unfortunate accident happened, in protecting culprits and also in absolving them off every responsibility from paying compensation to clearing the mess they created in Bhopal. Indian population, without distinction is brimming with antagonism and is presumably ready to contribute to process of punishment. Reprimanding not only UCC and UCIL officials, who in a bid to cut costs compromised security aspects but, also state and centre governments for siding with criminals and betraying victims and country in general. A lot has been written about Bhopal tragedy and the shameful acts of denying justice to the victims. Intensity of the shock is ensuring that the subject is followed by media who otherwise forget the story in few hours. We chose to focus on the anger of people in our cover story for it is not only about Bhopal or about past. Experts are warning about many more possible Bhopals and the continuous callousness and anti people approach of the government. It therefore is about present and future also. Maintaining its tradition of highlighting issues concerned with the deprived sections of the society, SJM undertook an in-depth study of the problems faced by the weavers of Andhra Pradesh. Dubbak, a small town in Medak district of the state has become the death-bed of once-famed handlooms that till recently clothed the countless Indians. Over 125 handloom weaver deaths caused either by starvation or by suicide have been reported from the area. Dubbak today is a non-stop death knell & is symptomatic of all that is wrong with the handloom sector. We chose to club it with our lead article to attract the attention of policy makers to the importance of preventive action.

Euro zone crisis is deepening and India is affected indirectly for now. But, we need to be cautious to prevent its ill effects affect us. Profit hungry FIIs are seeking better options of returns for their "hot money". Such investments though huge can evaporate at any moment. We need to check the inflow with some policy changes. This is pleaded by another insightful article by Dr. Ashwani Mahajan. National council of SJM held its meeting in Raipur and discussed issues confronting the nation and its economy. Four resolutions were passed in the two day meet. A report with these resolutions is also included in this edition.

Spectrum issue continues to dominate the telecom sector news. 2G spectrum allotment has emerged as "mother of all seams". Sh. Gurumurthy ji raises some pertinent questions. Handling of the issue also confirms the obvious. That it is the ruling class of this country, particularly those who have (mis) managed the affairs after independence are responsible for the mess we are in.

The verdict served up against Union Carbide in the Bhopal gas tragedy is convenient injustice

The neo-liberal assault on Bhopal

What happened in Bhopal cannot be explained in terms of maladministration, legal lacunae, and corruption or individual misjudgments alone. What happened in Bhopal was a pre-condition imposed on India by the global capital and market forces so that the future foreign investments in our economy would be safe for uncontrolled profit making, plunder and loot, especially of our natural resources, believes **Dr Anil Sadgopal**



India's ruling class refuses to learn any lessons from the biggest industrial genocide in human history that took place in Bhopal more than 25 years ago.

Within two days of the Bhopal verdict amounting to burial of justice, the Government of India, at Washington's request (read 'US nuclear corporations' insistence'), agreed to dilute a key provision of the draft Civil Liability for Nuclear Damage Bill, now before the Parliament. This related to Section 17 (b) of the Bill, the only provision that had the teeth to deter the nuclear industry from taking its safety obligations lightly. Not that the rest of the Bill had drawn any

lessons from Bhopal either. The Bill provides for only a limited liability of the operators of the nuclear plants by putting a 'cap' of Rs 500 crores for the compensation to be paid by them, the rest of it to be borne by the State out of public funds. If the Bill is passed by the Parliament in its present

***The people of India
would be required to
pay for being killed
and maimed by
transnational
corporations!***

shape, the people of India would be required to pay for being killed and maimed by transnational corporations! This is the latest government model of Public Private Partnership (PPP).

The powerful Indo-US CEO Forum, co-chaired by William Harrison of JP Morgan Chase and Ratan Tata of Tata Sons Ltd., icons of the American and Indian capitalism respectively, in its March 2006 report 'directed' that a dispute settlement mechanism "be set up by India (with) specific focus on resolving legacy issues such as those impacting Dow/Bhopal tragedy of 1984.... (this) would send a strong positive signal to US investors."

Let us recall that the Dow Chemical Company ("Dow") has now taken over the Union Carbide Corporation, thereby becoming responsible for the latter's liabilities and its assets. A petition is pending in the Madhya Pradesh High Court requiring Dow to cough up Rs 100 crores for cleaning up the chemical garbage lying in Bhopal factory and poisoning the city's soil and water. Yet, ignoring both the law and the interest of the people of Bhopal, Ratan Tata, empowered by the Indo-US CEO Forum mandate, wrote a series of letters in 2006-07 to Chidambaram (then Finance Minister), Deputy Chairman of the

Planning Commission Montek Singh Ahluwalia, and finally, Prime Minister Manmohan Singh proposing the creation of a Site Remediation Fund, and put forth Dow's view, quoting a letter from Dow CEO Liveris, urging the Government to withdraw its application in the High Court for a financial deposit, and to ensure an appropriate investment climate.

RTI revelations

Documents released under the RTI Act reveal that in 2006-2007, both Chidambaram & then Commerce Minister Kamal Nath, recommended that a Site Remediation Trust be set up to let Indian Inc fund & implement remediation activities, leaving Dow free of any obligation. This would send "an appropriate signal to Dow Chemicals, which is exploring investing substantially in India & to the American business community," Kamal Nath wrote in February 2007. Chidambaram's recommendation came in the wake of the Indo-US CEOs Forum meeting in October 2006. "I think we should accept this offer & constitute a Site Remediation Trust," he said in his memo.

We now know that, three years later, soon after the Bhopal verdict, the Government of India reconstituted the existing Group of Ministers (GoM) on the Bhopal Disaster, now headed by Home Minister Chidambaram, and gave it a vastly expanded mandate, which includes remediation measures at the site of the 1984 disaster. The GoM is now free to recommend implementation of "remediation measures", a proposal that originated from Dow's lobbying to escape its liability. It is no wonder that the GoM has been nicknamed a "Group of Ander-

Chief Secretary told me to let Anderson go: Ex-collector

Moti Singh, collector of Bhopal when the gas tragedy struck the city, has revealed that the Union Carbide boss Warren Anderson was released on the orders of the then Chief Secretary. Anderson was arrested by Bhopal police and taken to the company's guesthouse in a safe area where he stayed for a couple of hours. He had access to a telephone in his room, and he used it to call up various people. "A couple of hours later," says Moti Singh, "the cops released Anderson on the orders of then Madhya Pradesh chief secretary Brahma Swaroop."

"It was in the guesthouse that we told him that he was under arrest," Moti Singh told media. "He was taken aback and asked what he should do. Anderson, Mahindra and Gokhale were in separate rooms of the guesthouse. There was a telephone in the room where Anderson had checked in. It was not disconnected and he misused it to reach out to his contacts," Singh added. "The decision to release Anderson could not have been taken by him (the chief secretary) alone. It was too big an issue. Something must have transpired which we don't know about. We were all under pressure," Singh said.

"No one was willing to stand surety for Anderson," the former collector of Bhopal recalled. "So the police got a junior employee of the plant to stand surety for Anderson's bail. We stopped him from going to the affected areas and put him on the state plane which took him to New Delhi. It wasn't our decision. We were following the government's orders."

According to Singh, Brahma Swaroop called him & the police superintendent to his office in the secretariat around 2pm. "The chief secretary told us to release Anderson & urgently put him on the state plane at the airport. We did not question the decision because he was not one to answer queries. He gave orders & expected them to be followed," Singh said.

The collector and SP returned to the Union Carbide guesthouse and completed the formalities of granting Anderson, Mahindra and Gokhale bail. "But Anderson was hesitant to leave," Singh recollected. "He delayed his departure by two hours and constantly asked if he could visit the factory area and victims. He told us intricate details, including the wind direction, which spread the lethal gas through the city."

Singh added, "Anderson was not remorseful or sympathetic. He was intelligent and arrogant. He wanted to visit the site out of curiosity, to see the effect and magnitude of the gas leak. He had all the information that we had about the disaster. It was as though the US was monitoring minute-by-minute developments in Bhopal." □

sons" or a "Group of Corporate Servants" in the internet discourse.

Judicial disasters

To be sure, the Bhopal verdict of June 2010 constitutes the second judicial disaster. The first judicial disaster took place on February 14-15, 1989 when the Supreme Court put its stamp of approval on a cynical agreement signed by the Central and state gov-

ernments, on the one hand, and Union Carbide, on the other. Through this agreement, the Union Carbide achieved its three-fold objectives of: (a) being freed of both civil and criminal liabilities; (b) getting away with payment of the paltry sum of US \$ 470 million (Rs 715 crores), in contrast to what the Indian government had originally computed to be US \$ 3.3

billion (Rs 5,000 crores) and this, too, not as the corporation's legal obligation for compensatory damages but as a 'corporate succour' for the 'hapless and suffering gas victims'; and (c) preventing the establishment of legal precedence in the Indian judicial system of punitive damages for spreading misinformation and disinformation about the toxic materials that leaked and their medical impact on the victims, which could be several-fold higher than even the compensatory damages.

Political memory short

The third issue of punitive damages, to be paid by a corporate

house for misinforming and disinforming the people, seems to have been completely erased from our political memory. It is this issue that is related to the third Bhopal disaster viz. the scientific disaster. Immediately after the Bhopal catastrophe, the central government took over complete responsibility and control over all scientific, including medical, investigations that were required to reveal the cause of the toxic leak, chemical nature of the toxins that spread in Bhopal's environment and the medical impact of the poisonous chemicals on the victims. As expected, Union Carbide systematically spread

misinformation and disinformation in order to minimise its civil liability for compensatory damages.

What is shocking, however, is not Union Carbide's behaviour but the role of the Indian scientific establishment, led primarily by Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR). These scientific mega-bodies, receiving huge public funding, apparently failed to establish in time i.e. within the critical period of next 5-10 years (a) the chemical nature of the toxic chemicals that leaked and their pattern of dispersion over various colonies of Bhopal; (b) the multi-systemic chronic toxic impact on the victims, including the gynaecological, carcinogenic and mutagenic consequences and (c) recommend a scientific programme of medical treatment and rehabilitation. All of this is documented in the three successive Minority Reports of the Supreme Court Committee submitted in 1987-88.

This does in no way imply that India did not have the necessary scientific expertise, equipment or funds for this purpose. Indeed, several scientists worked with a sense of patriotism and contributed significantly to the body of knowledge. It is precisely because we had all what was needed to meet the scientific challenge that it becomes a scientific disaster. This is why when the compensation case finally reached the Supreme Court in 1988-89, both the Central and State governments could not provide the necessary medical, particularly toxicological data that were required for computing the compensatory damages. The beneficiary was clearly Union Carbide. We lost the histor-

'Call to fly out Anderson came from CM office'

A day after Moti Singh, the collector of Bhopal when the deadly gas leak took place, revealed that Union Carbide Corporation chairman Warren Anderson was released on orders from then state chief secretary Brahmaswaroop, then aviation director of MP government R C Sodhi corroborated Singh's version of events saying he got a call from then CM Arjun Singh's office instructing him to fly the state plane with Anderson to Delhi.

"I got a call from the CM's office that afternoon and was told that we had to send the state plane to New Delhi," recalls Sodhi. "It came around 2pm. I was directed to ensure the plane takes off by 4pm. I contacted the pilot, Capt S Hassan, and co-pilot Capt Ali of the state plane and asked them to get ready half-an-hour before the scheduled departure.

"Two vehicles came to the tarmac around 3:45pm. One was a jeep and I saw the SP Swaraj Puri in the front seat. The other vehicle was an Ambassador and two men stepped out of the car. One was a white man, tall and walking briskly. The other was district collector Moti Singh. The entire exercise was hush-hush. It was obvious from the fact that only the collector and the SP were present to see off Anderson," Sodhi said.

According to Sodhi, flights made by the state plane were detailed by the CM's office alone. "The state plane can be utilized under his direction. It's a procedure that under the CM's orders, his office would inform us about the flight schedule. We knew these persons who were authorized to brief us on the flight schedule," Sodhi added.

Captain S Hassan was the pilot of the aircraft that flew Anderson to New Delhi. On Thursday, he said that he was unaware of who he was flying to the capital. "I had no idea about who was to fly to Delhi. I was told by aviation director R C Sodhi to make arrangements for the flight to take off by 4pm. As government employee, we follow orders without asking questions." The pilot recalled that Anderson shook hands and thanked collector Moti Singh & SP Swaraj Puri before getting on board. □

ic opportunity to establish the linkage between medical treatment and toxicological data, on the one hand, and compensatory and punitive damages, on the other.

It is clear that what happened in Bhopal cannot be explained in terms of maladministration, legal lacunae, corruption or individual misjudgments alone. That would amount to over-simplification and, therefore would not help us to build an effective strategy for future. What happened in Bhopal was a pre-condition imposed on India by the global capital and market forces so that the future foreign investments in our economy would be safe for uncontrolled profit making, plunder and loot, especially of our natural resources.

By surrendering before the corporate greed and compromising India's sovereignty, the Indian ruling class rolled out red carpet in 1991, when the policy of 'globalisation' was declared, for unregulated entry of the neo-liberal capital and its political agenda in all spheres of India's life. It is still not too late to recognise this and reconstruct India's economic policies and the related self-destructive development paradigm.

For this, we would gain immensely by taking a cue from Hind Swaraj which Gandhi wrote more than a hundred years ago as his response to British imperialism. The central lesson of Bhopal would be to begin writing a new Hind Swaraj for the 21st century. That would be the best tribute we can offer to the Bhopal victims.

There have been successive governments at the Centre and in the state and these have to be questioned as well," says Congress spokesperson Jayanthi Natarajan,

sidestepping several questions regarding charges against the then Congress governments at the Centre and in Madhya Pradesh for granting safe exit to Anderson.

I will go to whatever extent possible to get maximum relief for Bhopal gas victims. Arjun Singh (Cong CM in 1984) has the missing links. He should explain the circumstances under which this happened" - Shivraj Singh Chouhan, who heads BJP govt in Madhya Pradesh.

The real sting: Political culpability questions Arjun Singh, then MP chief minister, defied all warnings and evidence that a disaster was imminent and assured the Assembly that he had personally inspected the Carbide plant and there was no problem just months before the gas leak.

The government accepted a settlement with Union Carbide for US \$470 million, money not enough to compensate even a fraction of the gas victims. Digvijay Singh government in Madhya Pradesh allowed Carbide to return the land with tons of toxic waste when the lease clearly said the land would have to be returned in the same condition that it was leased.

Former joint director of CBI B R Lall said the agency was asked not to pursue Anderson's extradition; then CBI Director K Vijayarama Rao rejected the claim.

Warren Anderson, the chief of Union Carbide, was given then Chief Minister Arjun Singh's own aircraft to leave India, just four days after the leak and with a charge of 304A (culpable homicide not amounting to murder). □□

(The writer was Member, Supreme Court Committee on Medical Relief & Rehabilitation of Bhopal Gas Victims & former Dean, Faculty of Education, Delhi University.)

(Courtesy: Deccan Herald)

'Anderson knew of looming leak threat'

Former Union Carbide chief Warren Anderson was aware of the lacunae in the UCIL plant in Bhopal and knew about the possibility of a disaster like the one which struck on December 2-3, 1984, then Bhopal police chief Swaraj Puri said while seeking toughest punishment for the fugitive.

Puri, who was awarded President's medal for moving around the gas affected area thereby becoming a victim of the deadly MIC, told TOI, "To say that Anderson did not know of the impending disaster is nothing but a plain lie."

Puri, who arrested Anderson on December 7, 1984 and produced him before a magistrate, who let him off on bail for a bond of Rs 25,000 and a promise that he would appear before the court on being summoned, said, "I would say that he should be brought before the courts and that was why we had arrested him." Anderson never kept his promise made to the court in the bail bond.

Asked whether Anderson possibly knew about the lurking disaster, Puri was quite sure that the UC chief was aware of the danger. "An employee of UCIL, Ashraf, died a year before the disaster because of a small leak of MIC gas from the plant. When an employee dies, the whole management knows about it. So, it will be a lie if Anderson says he did not know about the leak and the death of an employee," Puri said.

Asked whether any pressure was put on him from higher-ups to deal leniently with Anderson, the former city police chief said he did not remember receiving any phone call from anyone telling him to be lenient with the UC chief. □

Bhopal Gas Tragedy: Company Raj is Back in India



While the newspapers splashed with reports of the Bhopal verdict, where 15,274 dead, 5,74,000 affected, and a verdict that should have been delivered in 26 days taking 26 long years, and that too a mockery of justice, no heads have rolled it is amusing to read the PM saying: 'Will Safeguard human rights in Kashmir.' By Devinder Sharma

I am outraged. I am seething with anger. Nearly 26 years after the Bhopal Gas Tragedy, the night yesterday again seemed to be without end. I tossed around in my bed, trying to count the sheep a number of times, but somehow the callousness of the insensitive judiciary and the politicians remained transfixed in my wandering thoughts.

I woke up early, and the first picture that came to my mind was from the Bollywood film Mangal Pandey. The film is based on the man who is believed to have triggered the launch of India's first battle for Independence in 1857. I could see Mangal Pandey seething with anger and clutching to his gun while the British flag lay on the ground burning. That was Circa 1857.

In 2010, Company Raj is back in India

Call it 'Justice Buried' or 'Justice Denied' and as some newspapers say: After 25 Years, Another Tragedy Strikes Bhopal'. You can go on showering choicest abuses for the judiciary, especially the Supreme Court, for watering down the provisions of Indian law usually applied to road mishaps so that

the Company Bahudur (as the East India Company was then known) could escape unscathed, the fact of the matter is that the Indian democracy has over the years been reduced to "of the industry, by the industry and for the industry."

You and me do not matter any more. We have been reduced to sim-

ple numbers, to be recounted after every ten years during census.

With 15,274 dead, 5,74,000 affected, and a verdict that should have been delivered in 26 days taking 26 long years, and that too a mockery of justice, no heads have rolled. While the newspapers are splashed with reports of the Bhopal verdict, I find Prime Minister Manmohan Singh quoted in a separate report from Srinagar, which he visited yesterday, also published on the front pages. Isn't it amusing to read the PM saying: 'Will Safeguard human rights in Kashmir.'

You couldn't even safeguard the rights of the Bhopal victims, Mr Prime Minister.

I don't understand how come the Prime Minister does not feel



Seeking extradition of Warren Anderson, Union Carbide CEO at the time of disaster & until his retirement in 1986, was never pursued vigorously

morally compelled to submit resignation over the injustice delivered in the world's worst industrial disaster. He will not. Because he is busy laying out a red carpet for Corporate America. He has an 'incomplete task' on hand. How can he apologise when he is busy fine tuning the Nuclear Liability Bill, to be introduced in the next session of Parliament, for which he may receive an honorary doc-

■ Was US law firm behind Sorabjee changing track? ■

Why did the NDA government seek the opinion of a US law firm on extradition of former Union Carbide chief Warren Anderson when it had got a robust opinion from then attorney general Soli J Sorabjee in 1998 equating the Bhopal gas leak case against the accused to a manslaughter offence? And why did Sorabjee climb down after reading the opinion of US law firm Verner, Liipfert, Bernhard, McPherson and Hand Chartered and give a subsequent opinion on August 6, 2001, arguing about the futility of India seeking Anderson's extradition.

It was a little surprising since it was Sorabjee who had assiduously argued for enhancement of the settlement agreed upon in 1989. The Supreme Court, after a review, increased it to \$470 million. Sorabjee had also persuaded the apex court not to erase the criminal liability of the accused because of the settlement for compensation.

According to Sorabjee he was not against the government pursuing extradition. "I had given the opinion on the basis of facts and evidence in the case and had never told the government not to pursue the case," Sorabjee said and agreed that his efforts to maximise the compensation settlement and the US authorities' track record deterred him from giving an opinion to the government to go full throttle to seek Anderson's extradition.

Then AG's July 31, 1998 opinion had stated that "the offence of causing death by rash and negligent act (Section 304A of IPC) would be comparable to the offence of manslaughter under the law of the US and would prima facie be covered under the extradition treaty between India and US".

However, involvement of a US firm had made him suggest that the government take the opinion of an American law firm. The government did so

from the Washington-based Verner Liipfert in April 2001, losing precious three years since Sorabjee's first opinion.

The US firm raised four questions relating to missing "evidentiary link" — the actual cause of the gas leak; Anderson's knowledge of the cause of gas leak prior to its occurrence; the extent to which Anderson had decision-making control over UCIL's safety and design issues and whether Anderson refused to correct the hazard.

The firm said India had to show evidence in relation to these without which a "US court will not find probable cause on the charge of causing death by negligence or its equivalent 'manslaughter' sticking on Anderson".

Sorabjee felt that "although it was not impossible to furnish the missing evidentiary link, the time and effort, especially since the process had started after 11 years of his (Anderson) being declared fugitive, would be considerable and I am not sanguine that at the end of the day, requisite evidentiary material would be forthcoming".

"All things considered, in my opinion, proceedings in the USA for extradition of Warren Anderson are not likely to succeed and therefore the same may not be pursued," he had opined.

But the government, faced with serious accusation in Parliament, did send a request for extradition in 2003. The ministry of external affairs on July 2, 2004 conveyed the US decision to CBI, "The government of the US has carefully considered the government of India's request for Warren Anderson and has concluded that the request of the government of India cannot be executed, as it does not meet the requirements of Article 2(1) and 9(3) of the Extradition Treaty." □ (Courtesy: TOI)

torate from the Harvard.

Last time, he was conferred with an honorary doctorate from the Oxford, Manmohan Singh had showered praise on the British for what they did during the days of the Raj!

You may have forgotten something that still remains embedded in me. When the Securities Scam burst in India, and I am

talking of the period when Manmohan Singh was the Finance Minister, it was not only stock broker Harshad Mehta who was involved. Two foreign banks, including Citibank, were also involved. I still remember vividly when Manmohan Singh refused to initiate any action against the erring banks, saying: "It will send out a wrong signal."

Didn't I say Company Raj is back.

Seeking extradition of Warren Anderson, Union Carbide CEO at the time of disaster and until his retirement in 1986, was never pursued vigorously because it would send a wrong signal. And yes, Manmohan Singh did send a 'right signal' when he said that "India loves George Bush".

At times of e-governance, I

Global media censures Indian Govt on Bhopal

Labelling the Bhopal gas tragedy as world's worst industrial accident, global media has censured the Indian Government for "a callous" and "confused" approach to corporate liability and warned it against luring foreign companies with low limits on liability.

Describing the court verdict in the case as "inappropriate punishment" after almost a quarter of a century since the disaster, the international media overwhelmingly held the Indian Government and the judiciary responsible for the travesty.

Pointing fingers at the controversial Civil Nuclear Liability Bill, now before Parliament, international media commented that the legislation continued to set a low bar on liability in order to attract foreign companies and governments. The leading papers were also equally unsparing on American multinational company Dow Chemicals for refusing to clean up the site as well as on US Administration saying it had not emerged with great honour by blocking India's request for extradition of the former Union Carbide Chairman Warren Anderson.

Britain's 'The Times' said, under the Bill, a central part of the controversial 2008 Indo-US nuclear pact, the liability for nuclear disaster would be capped at USD 460 million- far below likely clean up cost. It said, in the US, each nuclear plant is required to pay into a fund that could pay out some USD 10 billion in case of exigencies. "Clearly companies need confidence about potential liabilities, if they are to invest. But India is asking too little", the paper said.

'The Times' commented that, Indian Court System took so long and downgraded charges to negligence despite reports of clear mismanagement. It also said, the Dow Chemicals which had taken over the

Union Carbide in 1999 too bore responsibility for not cleaning up the site.

On Monday, after over 25 years, eight people were convicted for one of the world's major industrial disasters and sentenced two years in prison. While one of the accused is dead, the other seven were granted bail in a case in which more than 15,000 people were killed.

The Indian legal system also came in for sharp criticism by the US media.

'The New York Times' said that Indian courts are notoriously slow and claimed that the Bhopal verdict indicated that the wealthy can outwit Indian judiciary.

"It could be extraordinary for something like this to happen in US.... regardless of the merits of pronouncing any verdict the courts have to decide fast so that the decision has consequences," the paper said.

The Bhopal gas verdict has touched a chord in US and it has come at a time when the Americans are struggling with the Gulf Coast oil spill.

'The New York Times' said activists are seeking to get the Dow Chemicals to clean up almost 425 tonnes of hazardous waste still left on the accident site. A repetition of Bhopal tragedy is hard to imagine, Britain's 'The Time' commented saying, that in today's world internet and television would whip up a global fury.

"But the view that politicians can set companies undemanding rules to further other goals remains intact in many places—not least in India," it said. "New Delhi has done little to dispel many Indians' old suspicion of foreign investment, a mistrust their country cannot afford", 'The Times' summarised. □

am surprised how could such gross injustice happen. Where are those who swear in the name of e-governance as the ultimate weapon to bring justice and administrative accountability? They have been busy selling computer hardware. Nevertheless, I must return to my work now. I and my colleagues still have to fight the battle on several fronts. Successive governments have laid the foundation for many more Bho-

pals — GM crops, FDI in agriculture, Special Economic Zones (SEZ), nuclear plants, to name a few — and are busy amending laws to make it easier for business and industry to exploit India. With Parliament in the hands of the corporates, and with de-

mocracy not looking beyond industry, it is time people realised that Company Raj is back.

But the way a handful in Bhopal continued with the struggle for justice for 26 years, and have still not given up, I too feel inspired. Mangal Pandey is not dead. □□

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SJM and the loom doom at Dubbak

 **Raka Sudhakar**

"You may have heard of cyanide capsules that the LTTE guerrillas carry. Thisis our cyanide capsule," K. Lakshminarayana told us as he showed the white powder in a plastic pouch.

"Just wash down a spoonful of this powder.....Death comes quickly and silently. Just 10 grams is what it takes to make a family go to eternal sleep," Lakshminarayana continued with a nonchalance that comes only when one is a witness to many a neighbourhood suicide.

We stared at the innocent-looking white death with shock and horror. That was what the handloom weavers call nitrite, a must-use chemical for dying the yarn.

"Death is so simple a solution for most of the handloom weavers – an end to all our woes, a full-stop to all our days of starvation and poverty. And you know what....? Nitrite comes much cheaper....in fact, cheaper than a kilo of rice," said Lakshminarayana as a quivering voice choked with emotion.

"We keep this nitrate in a locked room and we do not allow the weavers to have an access to it. You never know....anyone can gulp it down in a moment of weakness," he added as tears welled up in his eyes.

The nitrite that adds colour to the fabrics is also the agent of death for those who make the fabric. Ironic! Isn't it?

Dubbak – a non-stop death knell

Welcome to Dubbak, the death-bed of once-famed handlooms that till recently clothed the countless Indians. This small town in Medak district of Andhra Pradesh saw over 125 handloom weaver deaths caused either by starvation or by suicide. Dubbak today is a non-stop death knell. Dubbak, for all we know, is symptomatic of all that is wrong with the handloom sector.

Till recently, homes and work stations in Dubbak resonated with the rhythmic cluck cluck of the looms and the weavers churned out yards and yards of clothes that found ready market everywhere. There was so much demand that the weavers had to work in shifts.

There were over 10000 looms Dubbak, neighbouring Lacchapet, Ramakkapet, Habsipur, Chittapur, Dharmajipet, Mote, Challapur, Dumpanapalli and several other villages. Traders from as far as Odisha used to descend in flocks

to Dubbak to place orders and give advances.

Siddipet, the nearest town, too was a handloom hub with the countless looms continuously rocking in nearby villages like Chandalapur, Chinna Kodur, Rajagopalpet, Ande, Dhoolmitta, Kasalabad, Ibrahimnagar and Palamatla.

All snakes and no ladders

But, all that is past. Today, hardly a couple of hundreds of looms operate in this town. Market vagaries, shifting choices of fickle customers and above all, lopsided policies and priorities of the powers that be have reduced Dubbak to a poor shadow of its former self. With the Janata Sarees and Janata Dhoti scheme dying a natural death, fund flows dried up for the weavers.

The government obviously has little interest in the survival of the handloom sector. There are no incentives and hardly any protective measures to sustain the

weavers. In the government scheme of things, the hapless weaver is left to fend for himself in a game where there are just snakes and snakes and no ladders.

The prices of the yarn, the chief raw material, are sky-rocketing. The per-box price of yarn, which ranged between Rs 1800 and Rs 1900 in December 2009, has shot up to Rs 2600 in just four months. A weaver can make 12 sarees from one box of yarn at the rate of one saree in two days. What the weaver gets out of one saree is Rs 120. Thus a weaver gets up to Rs 1500 for an investment of Rs 2600. In other words, there is a loss of Rs 1100 on every box of yarn. This computation does not include the man-hours put in. It is this inverse economics that is doing the weaver in. It is this imbalance that is sucking the weavers into the bottomless pit of starvation, indebtedness and despair.

What more? Weaving activity calls for the involvement of

every member of the weaver's family. At least seven members have to work at pre-loom and post-loom levels and the wages are unimaginably low. For instance, the wage for spinning of the yarn is an abysmal Rs 5. What a weaver gets is Rs 120 for a saree, which takes at least two days for weaving.

Come to think of it. The wages in the supposedly-sustainable handloom sector is Rs 60 a day, while the daily earnings of an unskilled labourer in the dependency-spawning National Rural Employment Guarantee Scheme is Rs 125 for just four-hours of work. No wonder! Most weavers now find NREGS more lucrative.

Specter of starvation

Poverty, lack of work and the specter of starvation have forced most weavers to migrate. Some landed in power loom companies in neighbouring Sircilla in Karimnagar or Bhivandi and Sholapur in Maharashtra. Many more ended up as hotel workers, masons and casual labourers in cities like Hyder-

abad, Mumbai and Nizamabad.

"The last bus from Siddipet town is always crowded and most of the commuters are youths from Dubbak, who head home after day-long toil as hotel workers, tailors or salesmen in clothes shops. Most women have taken to rolling of beedis, remunerative but highly hazardous thanks to hours of passive inhaling of raw nicotine," informed Gavvala Anjaiah.

Sadly, with no government support forthcoming, the weavers are forced to approach three Siddipet-based Seths, who virtually control the handloom market in Dubbak. These Seths hardly provide work for half the month.

The Swadeshi Jagaran Manch survey, conducted with the help of management students from several colleges, showed that most families suffer from starvation and most children are under-nourished. Most weavers reside in rented houses in their own villages. Sadly, the youth have stopped working on the looms. It is only the old, who still take to weaving.

"I have been working on the looms

from the age of 13. Weaving is nothing short of an addiction for me. Though non-remunerative, I still sit on the loom whenever I find time," says Ramaswami of Dubbak.

"I am 75 years old. My limbs are beginning to tremble due to nervous disorder. Yet, I work on the looms. But, none of my sons work on looms. This craft, I am afraid, will vanish with me," said Allam Gangaram.

When even Dhanis become 'Dukhis'!!

The SJM survey revealed the existence of a three-tier pyramid in Dubbak. At the top of the pyramid are the moneyed Seths. Dhanis are the intermediaries between the Seths and the weavers. Dhanis are so called as they lend money and provide work to the weavers. But, tough times have forced even the Dhanis to look sideways.

"I used to have 30 looms. Today, there are just 10. 15 of my weavers have migrated and seven had ended their lives," said Lakshminarayana, one of the very few Dhanis who still work on looms. At the bottom of the pyramid are the weavers and their family members.

The survey further showed that none of the handloom schemes like the project package, integrated handloom rural development scheme, handloom development centres and quality dyeing unit scheme and Deendayal Hathkargha Protsahan Yojana or the welfare schemes like health package schemes, workshed-cum-housing scheme, thrift fund scheme, insurance scheme, margin money for destitute weavers scheme and the loan interest subsidies reach the weavers. Government programmes like the APCO and the cooperative handloom movement too have proved to be



SJM Activists with Weavers during the Survey

nothing more than a zilch for the weavers. Though over 400 oldage pensions have been issued, the Rosaiah Government has now embarked upon 'weeding' them out. Though the village has a handloom cluster, it is in the vice-like grip of a handful of politically well-connected officianados.

In most Telangana hamlets, the door frames are adorned with the wooden statuettes of horses on both sides. The survey team noted that most wooden horse statuettes have been uprooted in Dubbak. When asked, the villagers said some people had come all the way from Uttar Pradesh to buy those images. They gave rice for the images, which they would sell as artifacts at premium prices to eager buyers. That the weavers had little qualm disfiguring their door-frames for a morsel of food gives us a measure of poverty and starvation in Dubbak region.

The SJM survey has revealed that;

- Though the weavers are ready to work on the looms, the Dhanis are unable to provide enough work to them
- The loom technology is outmoded and thus has become highly non-remunerative. Loom upgradation has not taken place. There are no Jacquard Looms in Dubbak. The weavers work on unhygienic pit-loom.
- Changing customer needs are not taken into account. There has been no value-addition to the products. Most of the produce is out of sync with the changing textile choices of the customers. There is a dire need of skill upgradation and product diversification.



Dead Body of Vaitla Srinivas, A Weaver who was forced to commit suicide.

- The weavers lack credit facility and have no access to the market. The raw material availability too has been a problem.
- Sky-rocketing prices of the yarn have turned the handloom economy topsy turvy. There has been no corresponding rise both in the product price as well as the weavers' wages.
- The Dubbak weavers have become dispirited and demoralized due to low wages and poverty. This has made a significant number of weavers liquor addicts.
- Most weavers live in rented houses.
- There is no protection from occupational diseases like asthma, tuberculosis, arthritis and skin ailments.
- There aren't any social security schemes for women, the aged and the infirm.

Ritual of condolence, consolation and empty assurances

It is not that Dubbak has never been on the radar of the politicians. Politicians of all hues and shades did descend every time there was a weaver's death to enact the ritual of condolence, con-

solation and solemn assurances that are never intended to be implemented. Camera clicks and news coverage later, they retreated into their cozy and inaccessible lairs. Weavers' deaths don't make news anymore now.

The weavers did make efforts to highlight their plight. Every time there was a furore, VIP convoys trooped in, statements were made, study teams constituted and the reports piled up as were empty assurances.

While the power loom crisis in neighbouring Sircilla of Karimnagar has made national headlines and went on to become a powerful poll issue, the deaths in Dubbak never managed to grab political attention. Everyone - ranging from TDP supremo Chandrababu Naidu to PRP chief Chiranjeevi - went on political pilgrimages to Sircilla and the Government was forced to implement a special economic assistance package for the weavers. Ex-gratias were announced for the kin of the deceased weavers. But, Dubbak was a different story. Firstly, there was no political will to bail out Dubbak weavers. Secondly,

the weavers of Dubbak were vary of police panchnamas (inquests) and thus were robbed of ex-gratias. Only one out of the 125 bereaved families managed to receive ex-gratia.

While Sircilla has a functional Antyodaya Anna Yojana scheme that assures 35 kg of rice per family every month, Dubbak has none. Extending the Anna Yojana to Dubbak would at least keep the wolf of starvation away from the door.

Dubbak would have been immensely benefited if only the Government had set up an apparel park or a garment-making unit on the lines of the one operating in Sircilla.

What needs to done?

Packages, pensions and subsidized rice are but temporary palliatives. What is needed for Dubbak is a concerted and committed engagement not just to alleviate the weavers' lot, but also to make their work both sustainable as well as remunerative.

The SJM study has primarily identified three core areas that call for concerted action;

- Capital access enhancement for weavers: This calls for special incentive schemes and active partnership for synergy of efforts from both the Government and the non-governmental agencies. Improved access to credit and assured sales in the form of buy-back agreements will also go a long way in empowering the weavers.
- Improved access to trade avenues: This entails provision of

B2B, B2C interfaces for the weavers, entrepreneurial development initiatives and provision of market access by involving both public and private partnerships. Currently, the Dubbak weavers are selling their merchandise in nearby weekly shandies at Toopran, Lacchapet, Ramayampet, Dubbak and Cheryal. Their lot would greatly improve if they get to participate in handloom exhibitions and vastra melas.

- Quality improvement and Capacity building: This is something that is a must for the han-

ducts like stuffed dolls and pillows could be made from the cotton waste from the looms. There is also a dire need for training packages, tour programmes and technology exchange programmes.

All these may appear to be both cost-intensive and time-consuming as well. But, it is a trouble worth taking. "The Government, which spends mega bucks on preserving ancient monuments and protecting endangered fauna. Why can't it protect and preserve handloom industry, which has a hoary tradition of being the second big-

gest livelihood provider after farming and has had a great role in emancipating India from the British yoke?" asks Appala Prasad, state general secretary of the SJM.

After all, Andhra Pradesh has over 3.30 lakh looms that provide livelihood to over 1.80 crore persons. Isn't this enough a reason for the Government to come to its rescue?



Empty Looms waiting for work orders.

Dubbak, the SJM engagement

The SJM's engagement with Dubbak began way back in 2007, when it was in a struggle to better the lot of Sircilla weavers. During the course of the Sircilla survey, several weavers had mentioned about the plight of Dubbak weavers and had underscored the need for some affirmative action.

With the SJM succeeding in forcing the political forces to sit up and take notice of Sircilla's loom doom as also in getting the government to declare a special economic package for Sircilla, its responsibility grew bigger and the

dloom industry in general and for Dubbak in particular. This calls for skill upgradation training programmes and implementation of newer and effective loom technologies. One also notices that there is no product diversification in Dubbak. Handloom handbags, purses, decorative items and others have a ready market in the upmarket segment. Fashion designers from agencies like the NIFT could be involved in design development. Similarly, making of value-added prod-

desire to reach out to Dubbak became stronger. Thus began SJM's foray into Dubbak.

This March, the SJM had formally decided to conduct a comprehensive socio-economic survey of Dubbak's ailing handloom sector. A preparatory meet was held with local SJM activists to thrash out focal issues. SJM former national convener P Muralidhar Rao, state SJM secretary Appala Prasad, local activist Vadla Raju and others had attended the brainstorming sessions to chart out a road map for further action.

On March 25, the SJM organized an awareness meet at the Vaisya Bhavan in Dubbak, in which over 200 weavers from Dubbak, Lacchapel, Dharmajipet and Ramakkapet recounted their woes. This interface proved to be of great help in developing both micro as well as macro perspective on Dubbak. SJM's Muralidhar Rao guided the deliberations. This was followed up by preparing a comprehensive questionnaire for conducting the survey. Management students from various prestigious institutions drawn from various parts of Telangana region were roped into for the intensive and extensive house-to-house survey in both Dubbak and Siddipet mandals.

The survey proved to both a shocker and an eye-opener. On several occasions, the students involved in the survey, were moved to tears seeing the plight of the weavers. Many students had vowed to continue their engagement with the SJM.

Field visits

The survey apart, the SJM organized expert visits to Dubbak. Noted Swadeshi economist Saiprasad visited Dubbak on April 4, while journalists Raka Sudhakar and N Venkatesh toured the area on April 11 and April 25 respectively. They gave wide coverage to the plight of Dubbak weavers. The report by N Venkatesh in Sakshi in particular had evoked empathetic response from the state Government, which later went on to announce a special package to the hapless weavers. The report as-



A Weavers reduced to skelton talks to Surveyors

sumed poignance as Ajja Krishna Hari, one of the starving weavers interviewed by Venkatesh, had died on the same day the story was being aired. This created a state-wide furore, forcing the government to act fast. Besides, the SJM roped in local media, which was all support to the cause and gave wide coverage of both the survey and the plight of the weavers.

Building political consensus

At the political level, the SJM activists had elicited the support of local MLA Ch Mutyam Reddy, former MLA Solipeta Ramalinga

Reddy, TDP chief Chandrababu Naidu, local MP Vijaya Shanti, BJP former state chief Bandaru Dattatreya and several other local leaders. Some local Congressmen like Sri B Manohar Rao, who also runs Nava Jyothi, an NGO, had approached minister from the district, Geeta Reddy, for help and support to the weavers. Responding to SJM appeal, Chandrababu Naidu on May 15 demanded a special package for the Dubbak weavers. The SJM activists had met Chandrababu Naidu and Vijaya Shanti a second time on June 3 and June 2 respectively. Vijaya Shanti had informed the SJM that she had written to Union Textile Minister Dayanidhi Maran on the plight of Dubbak weavers. Besides, CPM MLA Julakanti Ranga Reddy, TRS former MLAs Etela Rajender and Harish Rao, former TDP MP Nim-mala Kishtappa, TDP MLA dayakar Rao, former union minister Ch Vidyasagar Rao (BJP) and CPI MLA Malle-

sham were contacted. All these leaders had assured to extend their support and lend their voice for the cause of Dubbak weavers.

At the administrative level, the SJM leaders called on local RDO and the district collector and took up the issue of Dubbak weavers with them. On April 22 and 23, Dubbak weavers had submitted petitions to MRO, RDO and other officials.

All these have forced the Government to sit up and take notice. On April 29, Textiles Minister Balineni Srinivasa Reddy had

assured through the media that a Sircilla-type package would be implemented for Dubbak weavers.

Massive public meetings were organized on behalf of the SJM at Lachchapet on April 18 and a huge rally was taken out at Dubbak on May 2. A massive satyagraha at Dubbak on May 22 also shook the Government to the core. Similar meetings were held at Ramakkapet on May 30.

Providing succour

While being involved in agitational and organizational approaches, the SJM had also not lost sight of the urgent and immediate needs of the weavers. A host of SJM activists continued to visit Dubbak to boost the weavers' morale. Among them were SJM state co-conveners P Srinath and Narsimha Naidu.

On April 21, the SJM team had supplied rice bags to the starvation-hit weavers' families. Later, the Chakri Charitable Trust, being run by noted film music director Chakri, had donated rice and groceries, all worth over Rs 1000 each, to 100 families. Similarly, the Male Chenchu Reddy Memorial Trust had come forward to give monthly pension of Rs 300 to 30 selected families. The employees of the Hyderabad-based AG's office have begun providing rice to 12 selected families. On May 31, Hydera-

***Implementation of
Antyodaya Anna
Yojana for Dubbak
farmers so as to
provide them with 35
kg of rice per month.***

The SJM Demands

The following are the demands put forth by the SJM.

- A special package worth Rs 10 crore to Dubbak weavers on the lines of the Sircilla package
- Provision of Rs 1 lakh as ex-gratia to the kin of the handloom weavers who had either committed suicide or died of starvation and handloom work-related diseases. In case provision of ex-gratia is not possible, the Government should grant financial assistance from the CM's relief fund
- Implementation of Antyodaya Anna Yojana for Dubbak farmers so as to provide them with 35 kg of rice per month.
- Extension of loan waiver schemes and advancement of fresh loans to enable the weavers to procure raw material
- Provision of subsidy for the purchase of yarn
- Provision of market access to handloom products.
- Extension of schemes like Pavala Vaddi (loan at 25 paise interest) and Rajiv Yuvasakthi to weavers. Linking up of handloom weaving work to NREGS
- Provision of old age pension worth Rs 500 to all eligible handloom weavers.
- Ensuring greater transparency in the functioning of the handloom cluster.
- Setting up of a government hospital at Dubbak to address the occupational health needs of the weavers.
- Provision of housing facility to all weavers.
- Stricter implementation of handloom related acts and rules.
- Issuance of identity cards to all weavers. □

bad-based Bharati Trust, being run by Hanumath Prasad, had given Rs 10000 to Gavvala Kalyan of Dubbak to enable him to continue his higher studies.

The SJM had published a preliminary report on the plight of Dubbak weavers on June 5 and released it to the media. Andhra Jyothi, a leading Telugu daily, had carried an abridged version of the report on its edit page on June 9.

This multi-mode campaign by the SJM, which has unleashed a concerted and coordinated effort involving media awareness, cobbling up political consensus, sensitizing general public and creating pressure on the administration on one hand and help and succor in the form of charity work on

the other, had proved successful in bringing the plight of Dubbak weavers to the centre-stage of socio-political discourse.

The SJM activists are in constant touch with the Dubbak weavers and are accessing information about the handloom schemes and Dubbak handloom cluster with the help of the Right to Information Act. District SJM co-convenor Vadla Raju, district convenor V Malla Reddy, Siddipet town convenor N Anji Reddy, local leaders Balla Rajesh, Gavvala Dubba Rajam, Kalwa Laxminarayana, Gajula Bhaskar, Rapelli Nagaraju, Ram Narender, Kalwa Rajamouli and others are in constant touch with the Dubbak weavers to instill confidence in them and boost their morale. □□

Free power to the poor; and no power cuts



Power cuts have become a regular happening with the onset of summers. The demand of power has increased while the supply is less. The solution is not increase in generation but to enhance the price of power & reduce demand; suggests Dr Bharat Jhunjhunwala

Power cuts have become a regular happening with the onset of summers. The demand of power has increased due to the running of air-conditioners while the supply is less. Hydropower production declines in the summers due to reduced flow of water in the rivers. The preferred solution being implemented by the Ministry of Power is to increase the generation. However, this will not solve the problem because the demand for power is almost unlimited due to the low price of the same. Just as the demand for free food being distributed at a langar is almost unlimited, or large number of customers make a beeline for the special 1-hour offer made in the shopping mall; similarly the demand for

cheap power is so large that increased generation will not be able to meet the demand. The solution will come only through a reduction in demand. This requires the price of power to be increased.

Power is being sold to the consumers at about Rs 4 per unit presently. The cost incurred by the supplier in generation, transmission and distribution is about the this amount. But the country and the people incur additional costs due to harm to the environment. Forests are cut for mining of coal and tribal people are deprived of their livelihoods and cultural heritage. Thermal power plants discharge hot water into streams which kills the fish and other aquatic life. They also discharge carbon

dioxide gas in the atmosphere which is leading to global warming. Similar environmental harm is made by hydropower and nuclear projects. My estimate is that the cost of these environmental impacts is about Rs 7 per unit. The true cost of power is about Rs 11 per unit comprising of Rs 4 borne by the supplier companies and Rs 7 borne by the people. However, power is sold at Rs 4 only because the environmental costs are ignored. This sale at cheap price leads to a huge increase in demand and to shortages and power cuts.

The solution is to sell power at its true cost of production of Rs 11 instead of the private cost of production of Rs 4 per unit. People will use less air-conditioners, the demand will decline and power cuts will come to an end. The Government should impose an 'environment tax' of Rs 7 per unit for this purpose.

The main argument against this suggestion is that of economic development. Statistics indicate that countries with high levels of power consumption have higher levels of income. The Integrated Energy Policy report of the Planning Commission tells us that in 2003 the consumption of power in the United States was 13,066 units and income of that country was \$ 35,487 per person. The corresponding figures for India were 553



units and \$2,732 per person. This indicates a close relation between power consumption and income. But this relation does not tell us whether power consumption leads to higher income or higher income leads to power consumption. The problem can be understood by an example. One may study the relation between consumption of cloth and income of an individual. It will be found that those who consume more cloth also have higher incomes. But we cannot conclude from this that wearing large number of dresses is the reason of higher incomes. The true situation is that higher income leads to more consumption of cloth. Similarly income of countries is not related to the consumption of power.

A study titled "Electricity consumption and economic growth in India" by Sajal Ghosh of Indira Gandhi Institute of Development Research, Mumbai found absence of long-run relationship between economic growth and electricity consumption. The study concluded that there exists a unidirectional "causality running from economic growth to electricity consumption without any feedback effect." Implication is that economic growth leads to higher consumption of electricity but higher consumption of electricity does not lead to economic growth.

Another study, titled "Electricity Prices in India" by Pierre Audinet of International Energy Agency, Washington concludes: There has been a "sharp decrease of the ratio of electricity consumption growth to GDP growth in the 1990s. In other words, in the past decade, electricity consumption growth did not follow economic

growth." This same phenomenon has been observed for China by Fengqi Zhou in his article "Economic Development, Energy, And the Environment in the People's Republic of China."

A study by Bruno De Watcher of Leonardo Energy tilted "Electricity prices and economic growth - a weak link," says: "Recent data from the U.S. Energy Information Administration show that electricity costs and the overall economy are not as closely linked as they once were. The energy consumption used to create the Gross Domestic Product in the U.S. has been nearly halved since 1970. Nor do statistics for U.S. states show a correlation between electricity prices on the one side and growth in State Gross Product or changes in unemployment rate on the other." Conclusion is that we need more electrical energy for 'consumption' and not for 'economic growth'. While increased consumption is welcome as it improves the standard of living. But then we should also account for the decline in standard of living because of the imposition of various environmental costs on the people. The question here was whether an increase in price of electricity will hit our prospects of economic development. Such, clearly, is not the case. Reason is that the engine of economic growth of the country at present is the services sector like movies, music, translation, design, etc. Little power is consumed in generation of income from these sources.

The poor will be negatively impacted by the proposed increase in price of electricity. This can be managed by providing free power to them-paid from the receipts of

***Recent data from the
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environment tax. We are producing about 55 billion units of power every month in the country. An amount of Rs 385 billion will be collected from the proposed tax. Part of this money can be used to provide a small amount of free power sufficient for the minimum daily needs to every consumer. The number of households in the country is about 200 million. Supply of 60 units of free power every month will cost Rs 132 billion. Similar amounts of free power can be provided to farmers. This will make the environment tax people-friendly. Let us realize that the brunt of power cuts is mostly borne by the common man. The rich install inverters and generators and are largely unaffected. The poor face power cuts and also bear the environmental costs such as loss of fishing. Thus the present policy is eminently anti-people.

Another argument is of global competitiveness. This can be managed by imposing a parallel environment tax on the imports and refunding the environment tax paid to the exporters. The solution to power cuts is not increase in generation which will impose more environmental costs on the poor people. The solution is to increase the price of power and reduce demand. □□

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Who is that, Mr PM?



Allotting 2G spectrum license each valued at Rs 8,000 crore for Rs 1,650 crore only is daylight corruption. A Raja, telecom minister and the prime suspect in the CBI probe into the case is too small to be the sole beneficiary. There must be a principal beneficiary more powerful whom the prime minister is duty bound to defend. He must know who that is, feels S Gurumurthy

Raja had informed me that he was only implementing the policies that were in place and approved by the TRAI. This is how the Prime Minister Manmohan Singh defended A Raja, his telecom minister, the prime suspect in the CBI probe into the 2G cell phone licence case. If this were the prime minister's defence of Raja on May 24, see how offensive was Raja was to the prime minister on October 28, 2009, when the CBI had raided the Department of Telecommunications that was in his ministry leading to demands for his resignation. Asking 'why should I resign', Raja said, 'besides following my predecessors and the solicitor general's advice, I did it in consultation with the prime minister'. Far from not denying it then or later, on May 24, the prime minister virtually confirms what Raja had said then. Is there any difference between Raja saying he 'consulted the prime minister' and the prime minister saying he had 'discussed the issue with Raja'? So long as Raja had discussed the matter with the prime minister prior to the act it is— and cannot be anything less than— consultation. Raja is right. But is the prime minister right?

The issue in question is whether the price that the government asked and got for the spectrum for 2G cell phone licences

issued in the year 2007 is of correct value. Much of the discourse on 2G spectrum fraud is taking place without most of the public knowing what is 'spectrum' and what is '2G'. So a break here to know what is Spectrum and what is 2G? Take 2G first. 2G is the short form for 'Second Generation'. All cell phones, now used by vegetable vendors to company executives, are based on 2G technology. There was no 1G (First Generation) technology as such earlier. When the new technology — the cell phone technology that we use now — came in and superseded the existing one, the new one became known as 2G, and so the existing one, as 1G. What is the

difference between the two? A simple analogy is: 1G cell phone is similar to Paramount Airways, flying locally and with small capacity planes. The 1G cell phone cannot carry massive calls, nor have roaming to connect to far off places. 2G cell phone is like Air India operating jumbo jets. It can carry a large traffic of calls and directly connect to anywhere in the world. But like all aircraft fly in the air, in both 1G and 2G, all cell phone calls travel through airwaves, that is spectrum. Spectrum is like airwave highway. Even though this highway exists in space, it is attached to the earth. And like the land, which is in short supply, spectrum is also in short supply. So the issue is about its pricing.



2G cell phone technology entered India in 1995, beginning with the metros. Every cell phone licensee, other than those for metros, had paid huge fees by bids to enter the business. In 2001, having missed the bus first, the Reliance group made a backdoor burst into the cell phone business feigning as if it was using cordless phones in the streets, not cell phones! It did so without paying any fee. The NDA government was caught without a rule to stop this anarchy and was forced to negotiate with all to make a fixed licence fee policy, with a revenue sharing model. Then, the total cell phone user population in India was some 36 million. In three years the number topped 75 million. Today, it is over 594 million, with March 2010 alone adding over 20 million.

Now, to the issue of eleven 2G-cell phone licences in 2007. The first point to note is that in 2007, the Indian cell phone business was the fastest growing in the world. It was drawing huge investments into the country. It was at that time that Raja was proposing to issue 11 new licences, including spectrum, for a measly sum of Rs 1,650 crore per licence. This was on the basis of the spectrum value in 2001 when the cell phone user population was about a sixth of the size in 2007. The Telecom Regulatory Authority of India headed by an honest civil servant, Nripendra Misra, had openly come out and said that spectrum value in 2007 would not be less than Rs 6,000-8,000 crore, that is at least four to five times the value at which Raja

had proposed to sell. Yet, the minister said the new licences (at 1/5 its value) would be given on 'first-come-first-served basis' and the cut off date would be October 1, 2007. Suddenly he turned around and said that the cut off date would end six days earlier, on September 25. The crowd that had gathered at the minister's office on that day with each one jogging to be the first to get the licences was like the crowd of poor women that normally gathers in our middle level towns to collect the limited number of saris distributed free of cost. But, unlike the free sari crowd, the cell

among different players. Raja did not dole out each licence valued at Rs 8,000 crore for Rs 1,650 crore secretly. He did it in the view of all, including the prime minister. Yes, it was daylight corruption. But Raja was too small to do it all for himself or all by himself. Nevertheless when the CBI was set upon Raja, as it often happens in politics, he was left to defend himself. So he went on the offensive and brought in the prime minister. And see how the prime minister without whose knowledge the CBI could not have got into the act is now defending Raja with tail be-



tween his legs. And he flips in 2007, flops in 2009 and flips in 2010 — that is, he okays Raja first, puts the CBI on to Raja next and backs Raja later! He now says what Raja said in 2007, namely that he had acted on TRAI advice. But the TRAI chairman had openly said then that the value of each 2G licence was Rs 6,000-8,000 crore. The prime minister further says that it would

phone licence seeking crowd that included the richest in India, and like the former it went physical, many gate crashed, some in full suits got crushed between gates closing at 5 pm on September 25 with one foot in and one out. The only consolation was that there was no death in the stampede as happens in the free sari events. All this happened to the view of the world. The prime minister, Raja says, was consulted on this model!

Every streetlight in Delhi knew that the difference of Rs 5,000-6,000 crore per licence or Rs 60,000-70,000 crore was shared

have been unfair to ask the new entrants to pay that much more. Does the prime minister know that spectrum to three old players too was doled out at the same discounted rate as the new entrants? Why does the prime minister, who put the CBI after Raja, now back Raja blindly? This prime minister is not, and will never be, a suspect here. And Raja is too small to be the sole beneficiary.

QED: There must be a principal beneficiary more powerful whom the prime minister is duty bound to defend. He must know who that is. □□

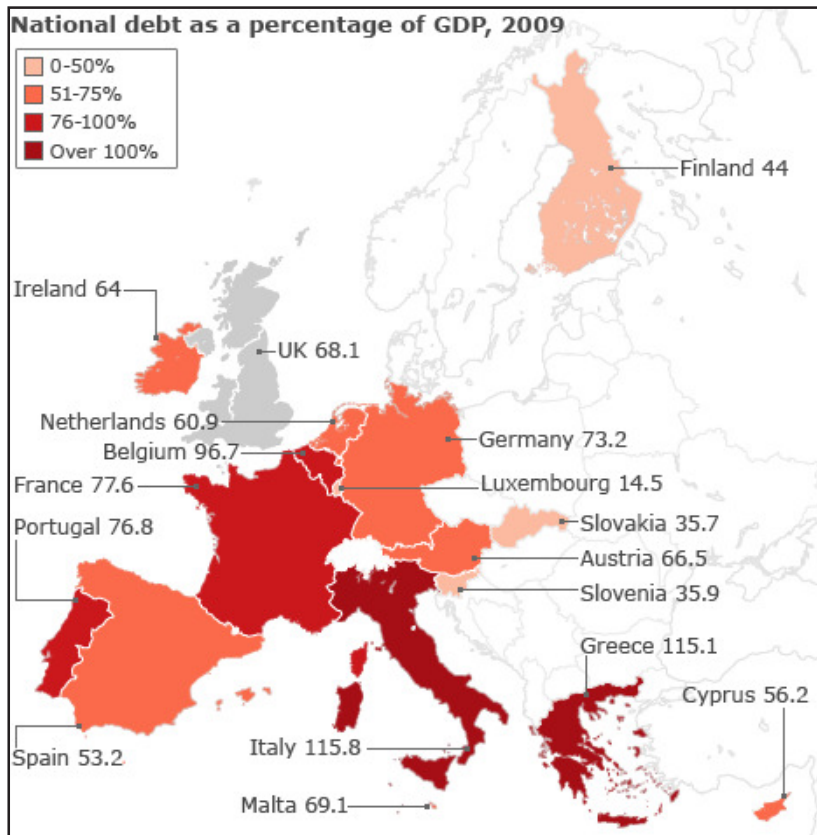
Western Economic Crisis: Need For Cautious Approach



*A Situation where rate of return on investments is reduced to near Zero is fast emerging in the United States, Europe, and Japan. Investors (FII's) are turning to Asian countries in search of better options. But we should remember that this is 'hot money ' which may evaporate any time and the country may endure heavy losses. To avoid this type of crisis, tax on purchases of shares and at least three years 'lock in period' may be imposed on these FIIs, suggests **Dr. Ashwani Mahajan**.*

In the past two years, U.S. and European countries have been passing through massive economic crisis. From America's financial sector leading company Lehman Brothers, to premier car manufacturing company, General Motors, countless companies have declared themselves bankrupt. Their banking system is in shambles. The crisis supposedly started with sub-prime lending, i.e. lending to those who lacked capacity to repay. To some how deal with crisis, trillions of dollars of government assistance program was implemented. Affected by the crisis, European governments also followed the suit and implemented heavy economic assistance packages to save their respective countries.

Greece, a country of the European Union has come into serious economic crisis in the last few months. This time the crisis has cropped up due to heavy borrowing by the government and not because of indiscriminate lending by the banks. The U.S. crisis was mainly linked to the financial sector; the crisis of the Greece was attached to bankruptcy of the government. Obviously the existence of any country depends on the credibility of the government. Greece government's inability to repay its loans created the crisis. Currently with the assistance of the



European Community to the tune 8.5 billion Euros, Greece's government could honour its debts maturing on May 19th 2010 and crisis has been averted for the time being.

It is Not Only Greece

But the crisis is not just of Greece, situation is not different in other European countries except the fact that they are not amidst sovereignty crisis at present. A few days earlier, Germany's ban on short selling in stock markets almost shocked the European Com-

munity. This move of German Government also indicates signs of similar crisis in Germany as well. The German government says that by this move they are trying to prevent speculators to artificially increase the cost of government debt. Greece, Portugal and Ireland's public debt has surpassed 60 percent of the GDP. These countries have already announced austerity measures and fiscal cuts by freezing salaries of the public servants and reduction in various

perks. Clouds of economic crisis are looming large in Italy as well. Other countries are also not untouched by the crisis including England, which for the time being is looking strong. The impact is that the European common currency has been constantly getting weaker. Exchange rate of Euro which was Rs 70 in December has come down to Rs 56 now. Its impact on other countries is also being felt and stock exchanges all over the world have started feeling the burnt. India's stock index has been declining continuously for the past few days due to depressing signals from Europe. Foreign institutional investors are trying to divert their money from stocks to gold and government bonds in search of safe heavens. In the past few days, withdrawal of foreign institutional investors' funds has weakened the rupee.

Aid package of nearly one trillion U.S. dollars by the European Community and International Monetary Fund has been designed to find a solution to the problem. But it is believed that, despite all these efforts, Europe's crisis is not going to subside. Stock markets initially welcomed and showed upward trend in the beginning, but the impact did not last longer and they came under pressure again and the stocks started tumbling down and heavy losses were reported world over.

Investors are Getting Attracted towards India

India's development journey is continuing unabated despite down turn in US and Europe. Though there has been a marginal impact on growth rates in India after the US crisis; whereas world's GDP decreased by one percent in

Total Debt of European Countries as % of GDP (2009)		
	Total debt (• m)	Total debt (% GDP)
Italy	1,760,765	115.8
Greece	273,407	115.1
Belgium	326,606	96.7
France	1,489,025	77.6
Portugal	125,910	76.8
Germany	1,762,211	73.2
Malta	3,948	69.1
UK	1,067,819	68.1
Austria	184,105	66.5
Ireland	104,667	64
Netherlands	347,021	60.9
Cyprus	9,527	56.2
Spain	559,650	53.2
Finland	75,217	44
Slovenia	12,519	35.9
Slovakia	22,585	35.7
Luxembourg	5,464	14.5

SOURCE: Eurostat. All figures for 2009

2009-10, growth rate of more than seven percent was recorded in India. The situation is more or less same in China, although China faced a significant decline in exports due to global meltdown. This also indicates at greater exposure of Chinese to global markets. Situation is fast emerging in the United States, Europe, and Japan that rate of return in all these countries is reduced to near zero. This means that investors are getting zero percent yields on their investments. Investors are turning to Asian countries in search of better options. Heavy investments in infrastructure, fast growing GDP and thus increasing demand, all these factors are pushing investors towards India. Financial institutions are buying gold in the short run in search of safer investments, but in the long run better returns on investments made in India will definitely bring them back to India and other Asian countries.

India Must Exercise Caution

But we should remember that this is 'hot money' i.e. investments which may evaporate any time, moment investors decide to withdraw. So the country may endure heavy losses. To avoid this type of crisis, tax has been imposed on foreign institutional investors in Brazil in 2009 on buying of stocks. This move has helped Brazil in effectively controlling FIIs. For quite some time foreign institutional investors are causing havocs in the stock markets. In India too these FIIs are needed to be controlled effectively. Not only a similar tax could be imposed in tune with Brazilian tax on purchases of shares by foreign institutional investors, at least three years 'lock in period' may also be imposed. In this manner not only an effective control would be exercised on FIIs, investing public may also be saved from upheavals in the stock markets. □□

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The Economic Philosophy of Swami Vivekananda-III

*Vivekananda even though extremely proud of India's past spoke about the creation of a new India based on the old but a completely new one , which would replace the old and would once more lead the world, says **Vikramjeet Bannerjee***



Swami Vivekananda ends off with that famous invocation, which rivals any other political slogan in India in its brilliant rhetoric and call to action:

“O India! With this mere echoing of others, with this base imitation of others, with this dependence on others this slavish weakness, this vile detestable cruelty — wouldst thou, with these provisions only, scale the highest pinnacle of civilisation and greatness? Wouldst thou attain, by means of thy disgraceful cowardice, that freedom deserved only by the brave and the heroic? O India!

Forget not that the ideal of thy womanhood is Sita, Savitri, Damayanti; forget not that the God thou worshippest is the great Ascetic of ascetics, the all-renouncing Shankara, the Lord of Umâ; forget not that thy marriage, thy wealth, thy life are not for sense-pleasure, are not for thy individual personal happiness; forget not that thou art born as a sacrifice to the Mother's altar; forget not that thy social order is but the reflex of the Infinite Universal Motherhood; forget not that the lower classes, the ignorant, the poor, the illiterate, the cobbler, the sweeper, are

thy flesh and blood, thy brothers. Thou brave one, be bold, take courage, be proud that thou art an Indian, and proudly proclaim, “I am an Indian, every Indian is my brother.” Say, “The ignorant Indian, the poor and destitute Indian, the Brahmin Indian, the Pariah Indian, is my brother.” Thou, too, clad with but a rag round thy loins proudly proclaim at the top of thy voice: “The Indian is my brother, the Indian is my life, India's gods and goddesses are my God. India's society is the cradle of my infancy, the pleasure-garden of my youth, the sacred heaven, the Varanasi of my old age.” Say, brother: “The soil of India is my highest heaven, the good of India is my good,” and repeat and pray day and night, “O Thou Lord of Gauri, O Thou Mother of the Universe, vouchsafe manliness unto me! O Thou Mother of Strength, take away my weakness, take away my unmanliness, and make me a Man!”

However the fact that he understood the importance of modern technology and science and how important that was to India , was apparent from a conversation which he had with his disciple in the year 1899:

“Laziness, meanness, and hypocrisy have covered the whole length and breadth of the country. Can an intelligent man look on all this and remain quiet? Does it not

bring tears to the eyes? Madras, Bombay, Punjab, Bengal — whichever way I look, I see no signs of life. You are thinking yourselves highly educated. What nonsense have you learnt? Getting by heart the thoughts of others in a foreign language, and stuffing your brain with them and taking some university degrees, you consider yourselves educated! Fie upon you! Is this education? What is the goal of your education? Either a clerkship, or being a roguish lawyer, or at the most a Deputy Magistracy, which is another form of clerkship — isn't that all? Open your eyes and see what a piteous cry for food is rising in the land of Bharata, proverbial for its wealth! Will your education fulfil this want? Never. With the help of Western science set yourselves to dig the earth and produce food-stuffs — not by means of mean servitude of others — but by discovering new avenues to production, by your own exertions aided by Western science. Therefore I teach the people of this country to be full of activities, so as to be able to produce food and clothing for themselves. For want of food and clothing and plunged in anxiety for it, the country has come to ruin — what are you doing to remedy this? Throw

Getting by heart the thoughts of others in a foreign language, & stuffing your brain with them and taking some university degrees, you consider yourselves educated!

aside your scriptures in the Ganga and teach the people first the means of procuring their food and clothing, and then you will find time to read to them the scriptures. If their material wants are not removed by the rousing of intense activity, none will listen to words of spirituality. Therefore I say, first rouse the inherent power of the Atman within you, then, rousing the faith of the general people in that power as much as you can, teach them first of all to make provision for food, and then teach them religion. There is no time to sit idle — who knows when death will overtake one?"

His allegiance in the end was the poor of India about whom he was always concerned as would be apparent by the conversation in 1902:

"Alas! nobody thinks of the poor of this land. They are the backbone of the country, who by their labour are producing food—these poor people, the sweepers and labourers, who if they stop work for one day will create a panic in the town. But there is none to sympathise with them, none to console them in their misery. Just see, for want of sympathy from the Hindus, thousands of Pariahs in Madras are turning Christians. Don't think this is simply due to the pinch of hunger; it is because they do not get any sympathy from us. We are day and night calling out to them, 'Don't touch us! Don't touch us!' Is there any compassion or kindness of heart in the country? Only a class of 'Don't-touchists'; kick such customs out! I sometimes feel the urge to break the barriers of 'Don't-touchism', to go at once and call out, 'Come, all who are poor, miserable, wretch-

ed, and down-trodden', and to bring them all together in the name of Shri Ramakrishna. Unless they rise, the Mother won't awaken. We could not make any provision for food and clothes for these — what have we done then? Alas! they know nothing of worldliness, and therefore even after working day and night cannot provide themselves with food and clothes. Let us open their eyes. I see clear as daylight that there is the one Brahman in all, in them and in me — one Shakti dwells in all. The only difference is of manifestation. Unless the blood circulates over the whole body, has any country risen at any time? If one limb is paralysed, then even with the other limbs whole, not much can be done with that body — know this for certain."

Yet, Vivekananda was against taking the help of the state to benefit the poor since he was of the clear view that no one can eventually help any person and the person has to help himself. As he wrote in the article "*My Life, My Mission*":

"Then there is the other great point to learn: that you can never help really. What can we do for each other? You are growing in your own life, I am growing in my own. It is possible that I can give you a push in your life, knowing that, in the long run, all roads lead to Rome. It is a steady growth. No national civilisation is perfect yet. Give that civilisation a push, and it will arrive at its own goal: do not strive to change it."

Interestingly in relation to the help of the state in that famous letter with Swami Akhandananda dated 21st February, 1900 he wrote:

"In these days of dire famine, flood, disease, and pestilence, tell

me where your Congressmen are. Will it do merely to say, "Hand the government of the country over to us"? And who is there to listen to them? If a man does work, has he to open his mouth to ask for anything? If there be two thousand people like you working in several districts, won't it be the turn of the English themselves to consult you in matters of political moment? "*The wise man should achieve his object.*"

In conclusion

Vivekananda however even though extremely proud of India's past spoke about the creation of a new India based on the old but a completely new one, which would replace the old and would once more lead the world and he had this to say about the old India :

"However much you may parade your descent from Aryan ancestors and sing the glories of ancient India day and night, and however much you may be strutting in the pride of your birth, you, the upper classes of India, do you think you are alive? You are but mummies ten thousand years old! It is among those whom your ancestors despised as "walking carrion" that the little of vitality there is still in India is to be found; and it is you who are the real "walking corpses". Your houses, your furniture, look like museum specimens, so lifeless and antiquated they are; and even an eye-witness of your manners and customs, your movements and modes of life, is inclined to think that he is listening to a grandmother's tale! When, even after making a personal acquaintance with you, one returns home, one seems to think one had been to visit the paintings in an art gallery! In this world of Maya, you are the real illusions, the mystery, the

real mirage in the desert, you, the upper classes of India! You represent the past tense, with all its varieties of form jumbled into one. That one still seems to see you at the present time, is nothing but a nightmare brought on by indigestion. You are the void, the unsubstantial nonentities of the future. Denizens of the dreamland, why are you loitering any longer?

Fleshless and bloodless skeletons of the dead body of Past India you are, why do you not quickly reduce yourselves into dust and disappear in the air? Ay, on your bony fingers are some priceless rings of jewel, treasured up by your ancestors, and within the embrace of your stinking corpses are preserved a good many ancient treasure-chests. Up to now you have not had the opportunity to hand them over. Now under the British rule, in these days of free education and enlightenment, pass them on to your heirs, ay, do it as quickly as you can. You merge yourselves in the void and disappear, and let New India arise in your place. Let her arise — out of the peasants' cottage, grasping the plough; out of the huts of the fisherman, the cobbler, and the sweeper.

Let her spring from the grocer's shop, from beside the oven of the fritter-seller. Let her emanate from the factory, from marts, and from markets. Let her emerge from groves and forests, from hills and mountains. These common people have suffered oppression for thousands of years — suffered it without murmur, and as a result have got wonderful fortitude. They have suffered eternal misery, which has given them unflinching vitality. Living on a handful of

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grain, they can convulse the world; give them only half a piece of bread, and the whole world will not be big enough to contain their energy; they are endowed with the inexhaustible vitality of a Rakta-bija. (A demon, in the Durgâ-Saptashati, every drop of whose blood falling on the ground produced another demon like him.) And, besides, they have got the wonderful strength that comes of a pure and moral life, which is not to be found anywhere else in the world. Such peacefulness, such contentment, such love, such power of silent and incessant work, and such manifestation of lion's strength in times of action— where else will you find these! Skeletons of the Past, there, before you, are your successors, the India that is to be. Throw those treasure-chests of yours and those jewelled rings among them, as soon as you can; and you vanish into the air, and be seen no more — only keep your ears open. No sooner will you disappear than you will hear the inaugural shout of Renaissance India, ringing with the voice of a million thunders and reverberating throughout the universe, "Wah Guru Ki Fateh" — victory to the Guru!"

(Concluded)

Indians are the most eco-friendly people?

If Indians are found to be most eco-friendly people today it is by compulsion only. Surveys, published to draw certain pre determined conclusions. Consed more than what they reveal, finds G. Raina

Indians are the most eco-friendly people while Americans the least, according to a 17-nation survey on consumers' progress towards environmentally sustainable consumption patterns. India topped the Consumer Greendex, compiled by National Geographic which studied 17,000 consumers in 17 countries. But according to the Environmental Performance Index (EPI), which ranks 163 countries on 25 performance indicators tracked across 25 metrics under ten categories India is ranked at a dismal 123 with a low score of 48.3 on this count.

So what is the truth? Is India an eco-friendly country or a polluting nation? Are Indians eco friendly people or is our contribution to the destruction of world ecology more when compared with rest of the world.

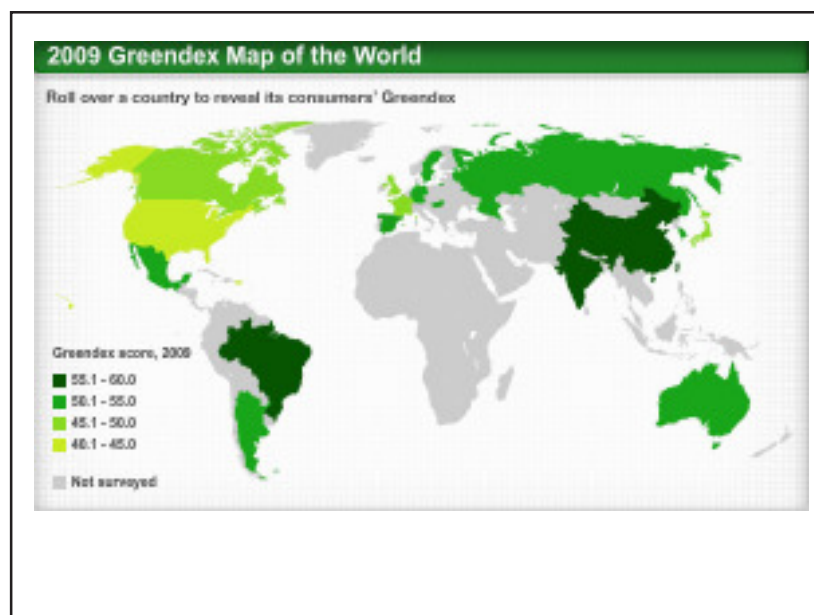
First the surveys. Consumers in the study conducted by National Geographic were asked about energy use and conservation, transportation choices, food sources, the relative use of green products versus traditional products, attitudes towards the environment and sustainability and knowledge of environmental issues.

The survey found the US the least eco-friendly in its consumption patterns. Consumers in emerging economies topped the Greendex ranking, while the six lowest scores were bagged by consumers in industrialised countries. The rankings are Indians, Brazilians, Chinese, Mexicans, Argentineans, Russians, Hungarians, South Koreans, Swedes, Spanish, Australian, German, Japanese, British, French, Canadians and Americans. Compared to 2008, the largest increase

in environmentally sustainable consumer behaviour came from the Indians, Russians and Americans. In contrast, consumers in Germany, Spain, Sweden, France and South Korea have slipped slightly over the past year.

Rapid economic growth has taken a toll on India's environment and natural resources and it ranks low on agriculture, pollution control measures and environmental health, according to EPI. In this case Iceland leads the world as the most eco-friendly nation with the best pollution control measures and natural resource management. Switzerland with a score of 89.1 is second most eco-friendly country. It scores well on biodiversity and habitat, environment health, ecosystem vitality. Scoring high on agriculture, biodiversity and habitat and environment health Costa Rica is third most eco-friendly country with a score of 86.4. EPI ranking for 4th to 10th spot are Sweden; Norway; Mauritius; France; Austria. Cuba and Colombia respectively.

While the US has the least sustainable behaviour, it has made some progress in the past three years. The Americans' average Greendex score has increased by 1.3 points each year. The National Geographic attributed much of the increase in the overall Greendex scores to more sustainable behaviour in the housing category in both 2009 and 2010, which was measured by the energy and resources consumed by people's homes.



Brazilians, Indians, Mexicans and Chinese topped the housing category, while Germans, French, Canadians, British, Japanese and Americans were the last six. But the Americans, Hungarians, British and Australians also saw marked increases in their indices in this area, as consumers made moves to improve the energy efficiency of their homes.

Most people surveyed cited costs as the reason for the decrease in consumption but between 20 and 50 per cent pointed out environmental concerns. In terms of personal choices like mode of transportation, there were mixed results with some countries indicating improvement and others deterioration.

So what do these surveys convey? Normally when headlines are flashed about India ranking number one in any field the common people in the street feels elated. He does not know the subject nor its technicality yet he feels good about nation topping rankings in more and more fields. But the poor chap does not understand that what has been revealed to him by 24x7 TV channels is very less as compared to what is being concealed.

Let us for example take the survey conducted by National Geographic. It asked consumers questions on food they may or may not be consuming. Question was "how often, if at all, do you consume each of the following types

of food and beverages"? choice were, Imported foods; locally grown foods (e.g. from your province/state or region); Chicken; Beef; Fish and seafood; Fruits and vegetables; Food you grow yourself and Bottled water. Options about periodicity were never; Less than once a month, Once or twice per month, once per week, Several times per week or Daily.

Do we need to guess the result of such a survey? Similarly regarding housing status question asked was like; how many rooms in total are there in your home and does it have home heating, including furnaces and stoves; Air conditioning and Hot running water. Next were some questions about transportation and respondents were asked to reveal how often, if at all, they use each of the following forms of transportation on average. a) Driving alone in a car or truck; b) Public transportation (for example on buses, trains, subways [UNDERGROUND in UK], streetcars or trams) & c) Airplanes. Expecting people to have many vehicles the survey asked Other than during work hours as part of your job, do you personally drive any of the following motorized vehicles?

a) Compact car; b) Sedan or station wagon; c) Minivan or SUV; d) Truck or full size van

Now when have even a cursory look at our population we know that vast majority of Indians are below poverty line even by the standards of definition of poverty we have. People don't have food to eat not speak of imported foods or meat fish and fruit and vegetables. Similarly on housing front even middle class families are struggling to manage an apartment of their own. Condition of lower income

groups in both rural and urban areas is worst and is visible in the form of slums and kuccha houses. Infact to call them a house will require changing the definition itself.

Take any measuring rod and we will find that the standard of living in our country is pathetic. Yes, a small section of society say 5-10% can compete with the most affluent people in rest of the world in matters regarding the material comforts, but by and large Indians are compelled to live a life of deprivation. This however does not mean that India is a poor country. Our country is the richest possible land mass in every sense of the term. Variety of climate, vast terrain of fertile farm land rich forest cover, a dense network of rivers, unmatched natural resources, rainfall, sunlight, heat cold and what not. To top it all the resourceful and skillful population with entrepreneurial nature. What else is needed to raise the levels of the living standard?

It is time we don't fall prey to emotional news and pat our backs for being world leaders.. We must understand the truth behind these news headlines. If India is eco friendly today by the standards set by western minds, it is purely out of compulsion. Vast majority of Indians can't afford the luxury of material comforts. Yes we do have a traditional way of life that is most eco friendly in the world. But are we following that way? Do we even understand the philosophy behind that way of life? Is our government, national or local even remotely involved in using our traditional knowledge as a source for policy planning and programme implementation? Time has come to have a close view of what is happening and what should happen. □□

Most people surveyed cited costs as the reason for the decrease in consumption



Raipur National Council Meet

— A Report

Resolution No.2 Bhopal Gas Tragedy & the proposed Nuclear Accountability Bill

World recognizes India as a spiritually, ideologically, culturally and materialistically developed nation. Because of imperfect understanding of our politicians, the concept of development is moving into a wrong direction currently. Precisely for these reasons India has become a laboratory for the Western powers (USA etc).

Bhopal gas tragedy victims received neither justice nor adequate compensation. Even the prime accused Warren Anderson, was allowed to honorably and safely leave the country by the then State and Central Government. Such highly sensitive industries susceptible of mass destruction should be classified as special category to ensure that they follow sure to follow safety standards strictly. Otherwise influential guilty are acquitted due to the negligence of the normal law enforcement system.

India is preparing for mass production nuclear energy and for this purpose a large number of nuclear plants will be installed in next twenty years, , Government of India is making a law to ensure accountability of suppliers and operators of these plants. This legislation is the final step towards implementing the nuclear deal with the U.S.. The controversial provisions of the legislation proposed to Parliament are:

1. The bill pegs the maximum amount of liability in case of each nuclear accident at Rs 500 crore only to be paid by the supplier and operator of the Plant while the maximum compensation in U.S. law is nearly 71 billion rupees.
2. No person or institution can go to court but operator can approach it.
3. 31 nuclear plants are to be installed across the country from thinly populated area such as Thar to for the densely populated area like Konkan but no attention has been paid to this for compensation purpose.
4. Compensation clause has no reference to the ca-

capacity of the plant. It mentions accident only.

5. Bill does not mention other nuclear accidents the one that took place in Maya Puri area of New Delhi due to radiation of cobalt 60. Scrap that includes radioactive material is imported in large quantity into our country through ports at Chennai, Alang, Kandhla, and Vishakhapatnam. Equipments like Geiger-Müller tube essential to detect particle of ionizing radiation are not installed in any of these ports. India imports scrap worth 2.5 million dollars from Europe alone.
6. Nuclear residue (ash) after generation of power is reported to be buried underground. Will this be safe for future generations? Will this not prove suicidal for our Agriculture? Can we put our Agriculture on for a few units of power, as remnant- of the nuclear particles will remain in the environment?

After a thorough discussion on all these points mentioned above and keeping in view the gravity of the issue.

SJM National Council at Raipur resolves that:

1. Government of India should not take any decision in haste & given the enormity of the subject matter leading experts must be included in the parliamentary committee .
2. Suppliers along with operators should be equally liable for punishment, if the supplier is rescued then numerous Anderson will be produced.
3. Individual and the institution should have the right to go to court for compensation.
4. A system must be put in place to ensure that there are no adverse affect on the fertility of Land and on ground water.
5. For strict compliance with safety standards collaboration of subject experts with bureaucracy should be ensured.
6. In case of dispute the court's decision should come in a maximum 5 years. □

Resolution No.1

Stop FT A

Nation has witnessed its worst in the post globalization era in terms of fast decline of agriculture and small scale sector, driven by WTO agreements and indiscriminate opening up of the economy for multinational corporations. Per capita production of almost all agricultural commodities has been declining continuously, unemployment is on rise; and disappointed farmers and other vulnerable workers are being pushed to death either naturally or by suicide route. While WTO, which was propagated as the mantra for free trade, is dying slowly owing to its own contradictions and exploitative nature, government is trying to push Free Trade Agreements, that is bilateral trade and investment treaties with other countries or regional blocks.

Already FTA with Association of South East Asian Nations (ASEAN) and South Asian free trade agreement (SAFTA) is causing havoc to the domestic auto-components industry, plantation crops sectors, edible oils, industry, textiles and the small and medium enterprises (SMEs) in a wide variety of sectors, free rein investments from ASEAN is all set to start a new wave of takeovers of indigenous units in a wide variety of sectors, which would cause wide spread industrial sickness into several sectors.

These treaties, like the WTO, unjustly impact important public interest laws, regulations, policies and our import duty structure in ways that virtually touch all aspects of our lives. However, FTAs are worse than the WTO because they demand much more. The Government of India is hoping to conclude this year two of the biggest FTAs proposed-one with the European Union and the other with Japan. The Gal is in the process of negotiating, expanding or developing at least 24 FTAs.

FTAs create legally binding obligations on the government such that livelihoods related to agriculture, fisheries and manufacturing stand to be severely affected. FTA demands in trade in services, investment and intellectual property rights impact our ability to access affordable healthcare, medicines, education, and municipal services such as water and sanitation, to name a few examples. Farmers Rights to save seeds and the ability of our citizens to prevent theft of our traditional knowledge is also under attack through FTAs. Though there was much resistance to TRIPS, Investment policy, Government Procurement (the government's purchases of goods and services), Competition policy, Labor Standards and Environmental issues in the WTO- TRIPS plus and Five plus-these are problematic areas of many FTAs (particularly with devel-

oped countries) that India is negotiating.

Immediate Cause for Concern: EU-India FTA

European Commission and the Gal started negotiating the EU-India FTA in June 2007. This FTA will mean a massive slashing of our import duties (up to 95% of all goods produced) and would include trade in services, investment, intellectual property rights, Competition Policy and government procurement. While Europe is facing its worst economic crisis presently, our policy makers are trying to lend them help by giving undue market access to the industrial products and services produced by countries of European Union by dismantling tariff and non-tariff restrictions against our national interest. The impact of reducing as many as 95% of our import duties down to zero or close to zero percent in seven years will result in import surges-especially since EU agriculture imports in particular are heavily subsidized in a wide range of products such as sugar, dairy, tomato paste, poultry, to name a few. This would also adversely affect the future growth of food processing industry in the country. This agreement also includes opening up mining sector and also dismantling of export restriction on our minerals.

Europe's multinational companies dominate global services trade and investment. The FTA's services and investment provisions would ensure their ease of entry with severe implications for India's existing and future small and homegrown industries and businesses related to agriculture, manufacturing and services. There is also a danger that government may accept EU's demand to include TRIPS-plus intellectual property protection, further endangering our national interest.

There is a total lack of transparency in the ongoing negotiations with EU regarding this FTA, which is a major cause of concern. So far ten rounds of negotiations have already been completed and nation has been kept completely in dark regarding the contents of negotiations.

This national council of Swadeshi Jagran Manch demands that:

1. The process of negotiations with EU be stopped immediately
2. A white paper is released and discussed in the Parliament on the cumulative socio-economic and ecological impacts of all FTAs with a separate white paper on the EU-India FTA, which GOI is negotiating, especially addressing social inequality and discrimination. □

Resolution No.3

Land Acquisition (Amendment) Act, 2007

Cultivable and cultivating land is the most precious commodity in the world today. In India which has 18% of the population of the world, and 2% of land and out of which 60% are cultivable, land becomes the most crucial commodity to ensure the protection of food security of all the people of the country.

15% of the world's cattle are in India and they are also dependent on the land and huge parts of the Indian village population live on this cattle wealth and therefore destruction of the said land would destroy the very basis of this cattle population in India.

However this cultivable, arable and cultivating land is under serious onslaught from MNCs and Corporates who with the help of Governments are accumulating and taking over more and more arable, cultivable land from the poor farmers who depend on the land for their livelihood and very existence.

Poor tribals and landless labourers have been displaced from the land in which they have lived and sustained themselves for centuries only to satisfy the greed of corporates.

As a result the Governments have become middlemen in dealing of land and land collectors for the land banks being constructed by the corporates and MNCs.

All the while the ordinary people have been fighting the corporates and governments and resisting their attempts to grab land from the poor farmers and tribals, whether they be the struggle against SEZs in Goa, against Tata in Singur, against the CPIM Government in Nandigram, against Vedanta in Jagannath Puri, against mining corporates through out the country. The resistance of small people have been extraordinary. The viciousness with which the Governments and Corporates have tried to break the resistance of the people have also been glaring. There has also been increasing demand that land not used for the purpose of acquisition be returned to the tillers. The Government has therefore brought forth a Bill called the Land Acquisition (Amendment) Bill,

2007, which though seeming to give everything takes away everything in a back handed manner. This act is filled with numerous deliberate loopholes and is meant to deliberately circumvent the actual specific concerns of the small farmer, tribal and village people while seeming and sounding to be progressive.

The SJM therefore under the above mentioned circumstances demands that the Bill placed before the Parliament be changed:

- i that all acquisition of any cultivable land be banned for now and forever.
- ii that a policy be formulated whereby land is returned to the original owners of land if the allottees of the land can not use it for the purpose for which the land has been acquired.
- iii that the method of accumulation of land by the process of land banking by corporates should be banned and severe punishment be imposed in those corporates found indulging in the same.
- iv that any "public purpose" in which a land is to be acquired must be certified as "public purpose" by the Gram Sabha, before the land is notified as to be acquired. Any "emergency" be so certified as well.
- v that the law recognize the rights of people working on the land, as well as tribals and animal herders who have sustained themselves on the land for centuries.
- vi that the law recognizes that forest and grazing lands be protected from encroachment as well.
- vii that the benefits of the land when in occupation by others pending transfer to the end user should be apportioned amongst the original owners.

The SJM therefore demands in conclusion that the above questions be addressed in any amendment to the Land Acquisition Act, 1894 and the Land Acquisition (Amendment) Bill, 2007 be withdrawn forthwith and a new people friendly, farmer friendly and tribal friendly land acquisition policy and bill be formulated and placed before the Parliament without delay. □

National Council and Central Working Committee of SJM held its two day meeting in Raipur (Jharkhand) from 12-13 June 2010. Important issues confronting country and the economy were discussed in depths. Meeting was inaugurated by National Convener Sh. Arun Ojha and was also attended by National Co-Convener of SJM Sh. Saroj Mitra, Sh. Jagdish Pal of Sanskar Bharti, Sh. Ramprakash Mishra from BMS, Sh. Jetendra Gupta from La-

ghu Vdhyog Bharti, Sh. Laxminarayan Bhala from Vidhya Bharti, Sh. Gopal Sharma from ABVP. DRI was represented by Sh. Abhay Mahajan.

Detailed reports about activities under taken by different units of SJM after Prayag Conference was submitted to National Council. Notable being the protests against Vedanta University in Orissa, study of condition of weavers in AP & Boycott Chinese Yatra in UP.

A book written by Dr.

Ramkrishna Kumaria Hon'ble Minister for agriculture of the state of Madhya Pradesh on Bt. Cotton. 'Kiski Jeet Kiski' Haar was also released by Sh. Madan Das ji. Some organizational changes with respect to responsibilities were also announced. These are as follows:-

1. Ashwani Mahajan – All India Vichar Mandal Pramukh.
2. Sh. Krishna Kumar Sharma – Convener, North Region.
3. Sh. Deepak Sharma 'Pradeep' –

Resolution No.4 Stop 100% FDI in Retail and Defence Production Sectors

FDI in Retail Sector

For more than a decade multinational retail giants have been making attempts to make an entry into Indian retail market and capture a huge market. At the same time there has been strong opposition to the same in India from different quarters. It may be recalled that during the prime minister ship of Shri P. V. Narasimha Rao, the then Finance Minister and the present Prime Minister had virtually opened up the gates for FDI in retail. Thanks to the change in the government, the process could be stalled. Once again, when this government took charge, attempts are on to open up this sector fully for FDI. Already FDI in single brand retailing has been allowed since 2006 and Wal-Mart and other giants are forcing their entry from back door via joint venture route (Bharti – Wal-Mart); and now, statements from people in the government clearly reveal that they are hand in gloves with multinational retailers. As a statutory obligation to reveal information about expenditure on lobbying, the Wal-Mart has revealed that it had spent USD 11 Mio (about Rs 56 crores) on lobbying for issues related to India and they had spent USD 1.37 Mio (over Rs 6 crores) in the year 2009 itself.

Efforts of the government pushing forward Wal-Mart to capture Indian retail market, clearly demonstrates its intentions to help Wal-Mart and a total disregard to the employment and livelihood of crores of small retailers' interests.

Swadeshi Jagaran Manch urges the government to refrain from such attempts. If the government goes ahead with this misadventure, this Rastriya Parishad of SJM warns the government that a nationwide agitation would be launched involving people at large and small retailer community in particular.

FDI in Defence Production

Off late, there is a move by Ministry of Commerce to allow 100% Foreign Direct Investment (FDI) in defence production sector. Ministry of Industry, however, opines that the present cap of 26% may be increased to 49% or 50%. But the Ministry of Defence is vehemently

opposing any increase in the FDI component beyond the existing 26%.

The different ministries of the same government are of the different opinion in this matter because of their own reasons. The money involved in defence deals, where funding is generally not a constraint on account of national security, is huge and there are substantial vested interests that are lobbying for various arguments.

Major overseas companies in defence production are generally notorious for their under hand dealings in sale of armaments as also in creating and instigating tensions among various countries in slightest provocations. Further, the critical/sunrise technologies in offensive as also defensive armaments are religiously guarded by the possessing countries and they are under total control of their national governments. Hence it may be naïve on our part that by opening this sector for FDI will keep our defence capabilities on par with world leading countries.

It appears that the advocates of globalization in the present day establishment are keen to get acceptance for 100% FDI in this sector and the Ministry of Commerce has taken that mantle on itself.

This is a very sensitive issue relating to security of the nation. If we dismantle our defence production infrastructure and if FDI retreats, our position will be in jeopardy. It is the worldwide experience and is visible by the strategies adopted by all the nations that matter in present day world it will be suicidal to forego domestic control on defence production sector, that too in the present tense world.

Swadeshi Jagaran Manch, therefore demands the Government that it should refrain from any attempt to increase the present cap of 26% FDI in this sector. SJM also demands that Government should initiate steps to roll back the provision for this level of FDI as well in this sensitive sector.

SJM further urges that Research & Development in defence sector to be strengthened with needed budgetary support, so that our country can withstand and can retaliate any adventurous aggressions by hostile forces around us. □

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| Co-convener, North Region. | Maharashtra & Gujarat. | 4 Oct. 2010 in Jalandhar, Punjab. |
| 4. Sh. Appala Prasad – Organiser, Andhra & Karnataka Pradesh. | 10. Sh. Dilip Nirala—Convener, Bihar. | 2. Central Working Committee Meeting will be held on 4-5 Sept. 2010 in Central Office, New Delhi. |
| 5. Sh. Ramesh Dave—Convener, Gujarat. | 11. Sh. Mukul Ranjan – Co- Convener, Bihar. | 3. Women's Cell Meeting on 14-15th Aug. 2010 in Central Office, New Delhi. |
| 6. Sh. Prakash Saraf – Co-convener, Gujarat. | 12. Sh. Arvind Khander will look after the accounts of all the trusts. | 4. River/Water Conference on 18-19 Sept. 2010 in Ranchi, Jharkhand. |
| 7. Sh. Ajay Pataki – Convener, Maharashtra & Gujarat. | Sh. Madan Das ji was also present and addressed the meet in concluding session. | 5. Swadeshi Week 25th Sept. to 2 Oct. 2010. □□ |
| 8. Sh. Rajesh Khirsagar – Organiser, Maharashtra & Gujarat. | Future Programmes | |
| 9. Sh. Anil Fojdar – Co-Convener, | 1. 10th National Conference from 2- | |

IRDA to frame new guidelines on ULIPs

Insurance industry regulator IRDA has emerged the victor in a high-profile tussle over the regulation of so-called unit-linked insurance plans or Ulips, with the government ruling that it and not the market watchdog SEBI would oversee the product. The government is “clarifying by way of an explanation that life insurance business shall include any unit-linked insurance policy or scripts or any such instruments,” said a statement from the press information bureau. “This would set at rest all the issues regarding Ulips between the two financial regulators.”

The government promulgated an ordinance to amend four major laws that could revive the sale of Ulips and force the mutual fund industry to look for new avenues to get investors. “This will completely

end the uncertainty regarding unit linked insurance plans,” said Kamesh Goyal, chief executive, Bajaj Allianz Life Insurance. “Ulips have also turned extremely customer-friendly after recent measures taken by the regulator to bring down surrender charges.”

IRDA and SEBI got into a legal battle over Ulips regulation after the markets regulator on April 9 banned 14 insurers from selling Ulips. Sebi withdrew the ban when bureaucrats brokered a truce, but only to revive it. Sebi moved the Supreme Court to club various public interest litigations against Ulips and resolve the issue of alleged mis-representation and the issue of jurisdiction. After winning the turf war IRDA said it would frame new guidelines for these products to make them more attractive for policy holders. □

Exporters seek fixed rate like China

Exporters in India are seeing a drastic drop in earnings due to decline in the value of the euro and the Greenback. Eurozone accounts for nearly a quarter of merchandise shipments from India and the debt crisis in some of those economies is threatening to end the good times for exporters. While the dollar has declined by about 12% in the last one year, euro has depreciated by about 18% since December 2009 due to the lingering doubts over the capacity of Greece, Spain, Portugal and Italy to pay their debt. Depreciation in the exchange rate has made European goods more competitive and Indian goods more expensive. This is forcing many buyers to cancel orders or ask Indian suppliers to defer shipments.

According to a survey by industry chamber Ficci, one way out could be to follow China and have a fixed exchange rate for exporters. Exporters also fear the possible impact of bankers shifting to the new base rate instead of the prime lending rates. The exporters feel the cost of borrowing may increase with the change in the system from July. An overwhelming 88% of the 278 exporting firms surveyed said the rupee's sudden appreciation has affected their margins. They lost on account of forward contracts that were booked to hedge currency risk. With input costs rising, the exporters want the government to increase the rate of sops such as the duty drawback scheme.

Govt may ban unbranded Chinese mobiles

Concerned over revenue loss due to rise in import of unbranded Chinese mobile phones that also

poses security threat, the government is considering various steps, including strict surveillance of grey market deals and restriction on import of devices without proper code. According to one estimate, the import of unbranded Chinese mobile phones valued at Rs 4,200 crore in 2009-10. This results in huge revenue loss to the government in terms of non-payment of Value Added Tax (VAT), Octroi and entry tax. When contacted, senior officials in the DoT confirmed government's view.

India foils Chinese bid to patent ‘pudina’

India has foiled a major Chinese bio-piracy bid to patent the use of medicinal plants ‘pudina’ (mint) and ‘kalamegha’ (andrographis) for the treatment of H5N1 avian influenza or bird flu. The Council of Scientific and Industrial Research (CSIR), with the help of India's Traditional Knowledge Digital Library (TKDL), dug out formulations from ancient Ayurveda and Unani texts, like ‘Cakradattah’, ‘Bhaisajya Ratnavali’, ‘Kitaab-al-Haawi-fil-Tibb’ and ‘Qaraabaadeen Azam wa Akmal’, dating back to the 9th century, to show that both ‘pudina’ and ‘kalamegha’ have been widely used in India since ages for influenza and epidemic fevers.

After receiving exhaustive evidence from CSIR that confirmed India's stand, the European Patent Office (EPO) on June 10 cancelled the decision to grant patent to Livzon, a major Chinese pharmaceutical company, on the medicinal properties of pudina and kalamegha for treating bird flu. It all began when Livzon, on January 19, 2007 filed a patent application at EPO claiming usefulness of pudina and kalamegha

“Bhopal, N-liability bill are separate issues”

The 1984 Bhopal gas tragedy did not cast a shadow on the deliberations of the India-US CEOs Forum to enhance India-US business ties, according to Commerce and Industry Minister, Anand Sharma. “The subject never came up,” he told reporters. “It’s a matter which is sub judice back home. And it’s not a subject to come up at these forums.”

When reminded that a Group of Ministers (GoM) in India had discussed the issue, Sharma said: “The GoM is not meant for this country. We don’t discuss it outside when we have not discussed it within our own system.” Sharma, who was part of the official delegation to the CEOs forum, also as-

serted that issues surrounding the liability of Union Carbide, which owned the Bhopal plant, would affect the civil nuclear liability legislation to facilitate India-US nuclear trade.

“They are two different issues,” he said. “There are defined laws. The criminal, corporate and civil liabilities are very much defined in the laws of both countries.” Asked how come an issue that had caused so much furore in India and led to demands for revisiting the nuclear liability bill did not come up either at the forum or in his meetings with US officials, Sharma repeated: “It never came up. In none of my interactions, I didn’t raise it. Nor did my interlocutors.” □

for the treatment of bird flu to be novel. Impressed with the data, EPO decided to grant patent to Livzon on February 25, 2010. However, on April 27, director of TKDL Dr V K Gupta shot off a letter to the EPO informing the examiners that the medicinal properties of pudina and kalamegha have been long known in Indian traditional medicine.

PMO pushes for higher FDI in airlines

The Prime Minister’s Office (PMO) has pushed for allowing foreign airlines to pick up stakes in Indian carriers along with a significant say in their management. It has asked the civil aviation ministry to support Indian airline companies’ plans for rapid fleet and route expansion with such a policy action.

The PMO has specifically told the ministry in a recent letter to promptly include the proposal on the agenda of the group of ministers (GoM) on aviation, official sources reveal. The move is expected to lead domestic airlines to adopt global best practices, besides opening new funding vistas at a time when air traffic growth has peaked. The PMO initiative also coincides with the improved liquidity position of many foreign airlines which went through a bad patch during the economic downturn of the last two years.

Currently, FDI up to 49% is allowed in domestic aviation, but foreign airlines are barred from investing on the grounds of national pride and security. The proposal is to allow at least 26% FDI by foreign airlines, which would entail their presence on the airlines’ boards. Sections of the government including the department of industrial policy and promotion, the nodal agency for FDI policy, have pitched for an even higher stake of 49%.

Global economic recovery still fragile

Ahead of the G20 Summit in Toronto, Prime Minister Manmohan Singh said it was necessary for the global economy to continue to recover in a stable and predictable manner without succumbing to protectionist tendencies. “We need investment and capital flows, as well as an open and rule based trading system that does not succumb to protectionist tendencies,” Singh said in a statement. Cautioning that the recovery of the global economy was “still fragile and uneven” with new “worrying signs emerging in the Euro zone”, Singh said the challenge for the Toronto Summit will be three-fold.

These challenges would be to ensure that global economic recovery is durable, balanced and sustainable; to calibrate exit strategies in the light of growing concerns over expansionary fiscal policies; and to focus on medium and long-term structural issues relating to governance issues, he said.

“As the Indian economy grows and further integrates with the international system, we have an increasingly direct stake in all these matters,” he said, adding to meet “our ambitious development targets it is necessary that the global economy continue to recover in a stable and predictable manner.”

Singh said the coordinated policy actions taken by the G20 countries since November 2008 have not only helped to prevent a crisis of the type the world saw in the 1930s but also contributed to global economic recovery.

“This is a sign of the G20’s success. At the same time, we have to be conscious that the recovery is still fragile and uneven. New worrying signs have emerged in the Euro zone,” he said. □□

China takes first step to honour yuan pledge

China took the first step towards honouring a vow to let its currency float more freely, as US complaints that Beijing is stealing an unfair trade edge intensify heading into a G20 summit. But analysts warned that China would still prevent any large appreciation in the yuan that might curb the ferocious growth of its export-led economy, despite US calls for a hefty revaluation.

The People's Bank of China set the central parity rate — the centre point of the currency's

official trading band - at 6.7980 to the dollar, 0.43 percent stronger than earlier day's rate of 6.8275. The central bank vowed at the weekend to make the yuan more flexible but ruled out any sharp fluctuations in the currency or a one-off adjustment. The move was widely seen as a bid to head off rancour at this weekend's Group of 20 summit in Canada, amid mounting accusations abroad that China's currency controls give its exporters an undeserved competitive advantage. □

US money reaching Taliban, says report

The United States is indirectly paying tens of millions of dollars in protection money to Afghan warlords, and potentially to the Taliban, to secure convoys carrying supplies to US troops in Afghanistan, congressional investigators said in a report. The Pentagon's system of outsourcing to private companies the task of moving supplies in Afghanistan, and leaving it up to them to provide their own security, frees US troops to focus on counterinsurgency.

But its unintended consequences undermine US efforts to curtail corruption and build an effective Afghan government, according to the report. "This arrangement has fueled a vast protection racket run by a shadowy network of warlords, strongmen, commanders, corrupt Afghan officials, and perhaps others," Representative John Tierney, chairman of a House of Representatives national security subcommittee, said in a statement. Tierney, a Democrat, said the system "runs afoul" of the Defense Department's own rules and may be undermining the US strategic effort in Afghanistan.

Congressional investigators began looking into the Defense Department's \$2.16 billion Host Nation Trucking (HNT) contract in November 2009. The contract covers 70 percent of the food, fuel, ammunition and other supply distributions to US troops in Afghanistan. "HNT contractors and trucking subcontractors in Afghanistan pay tens of millions of dollars annually to local warlords across Afghanistan in exchange for 'protection' for HNT supply convoys to support US troops," the report said.

Collapse of euro can't be ruled out

Billionaire investor George Soros warned that the euro could fail and that what he termed "danger-

ous" policy decisions in Berlin could destabilise the entire European continent. "Unfortunately, a collapse of the euro and the European project cannot be ruled out," Soros was quoted as saying in the *Die Zeit* weekly. "That would be tragic, because then Europe would be threatened by the sort of conflicts between states that have shaped European history," added Soros. He said what he termed the "disintegration" of the European Union was already taking place, with "the difference of opinion between Germany and France on economic policy bigger than 10 years ago."

Paris and Berlin have clashed recently on the best way to shape Europe's economic architecture in the wake of the debt crisis in Greece and elsewhere in the euro area. And Soros said that Berlin was "isolated globally" in a debate over deficit reduction ahead of the G20 summit in Toronto over the weekend. "Due to its history, Germany is more worried about inflation than about recession. In the rest of the world, it is exactly the other way round." "Germany's policy is a danger for Europe and could destroy the European project," he added.

Russian gas crisis an 'attack' on the whole EU: Brussels

A reduction of natural gas supplies to Lithuania amid a row between Russia and Belarus constitutes an "attack" on the whole European Union, an EU commissioner said. "This isn't only a problem for this one member state, it is a problem, it is an attack on the whole European Union," EU Energy Commissioner Guenther Oettinger told reporters in Brussels. The EU commissioner urged Moscow and Minsk to honour their commitments to Europe, stressing that "their problems should not be our problems".

China to go ahead with building Pak reactors

China is likely to go ahead with its decision to “finance” the construction of two 650 MW nuclear power plants in Pakistan disregarding the concerns raised by India and the United States. It is expected to announce its decision at the Nuclear Security Group meeting being held in New Zealand.

“China will likely go ahead with financing the construction of two nuclear reactors in Paki-

stan despite concerns from other countries,” state-run China Daily quoted Chinese experts as saying. “China is expected to announce its plans to build the reactors in Pakistan’s Punjab province at the 46-member NSG meeting in New Zealand. Meanwhile, the United States, with heavy lobbying from India, is reportedly raising doubts over the legitimacy of the deal,” it said in its report. □

Russian gas supplies via Belarus to Lithuania fell by 40% substantially, amid a feud between Moscow and Minsk, the head of Lithuania’s national gas firm said. Russia cut gas supplies to Belarus by 60 per cent, as a payment feud between the ex-Soviet neighbours that has raised fears for European consumers went into a third day.

Indian-origin wins Rep Gov nomination

Indian-American Nikki Haley has won the Republican nomination for the governorship of South Carolina, a commanding victory that could elevate her to become one of the prominent faces of the party and places her one step closer to become the state’s first woman governor. Haley, 38, overcame allegations about infidelity in her marriage, ethnic slurs and questions about her religious background.

She had denied all the allegations against her. “This is a really great night because South Carolina just showed the rest of the country what we’re made of,” Haley said, delivering a victory speech to supporters in Columbia. “Haley rose in the polls by promising to break an entrenched network that has dominated state politics for decades. She portrayed the unsubstantiated charges of sexual affairs as retaliation for taking on special interests,” the newspaper commented. In the run-off to the primary elections, Haley defeated Congressman Gresham Barrett. Haley got 62 per cent of the total votes polled, while Barrett received 38 per cent.

Pak to receive first four of 18 upgraded F-16’s from US

Pakistan will receive the first four of 18 upgraded F-16s from the US this month and the multi-role combat jets will give its air force the capability to conduct night operations and use precision-guided munitions. The four Block 52 F-16s are due

to arrive at Shahbaz airbase in Jacobabad. The delivery of all 18 jets ordered by Pakistan from the US will be completed by the end of this year, the sources said.

The jets will enhance Pakistan Air Force’s capabilities for the ongoing war against terror, the sources were quoted as saying. Pakistan is also conducting negotiations with the US for purchasing another 14 new F-16s, the sources said. The Block 52 F-16s are more advanced than the F-16 A/B jets in the PAF’s existing fleet. The PAF is in the process of conducting a mid-life upgrade of its fleet of 30-year-old F-16s. Four of the 45 old F-16s are currently being upgraded and they will be ready in a couple of months, the sources said. Ahead of the delivery of the Block 52 F-16s, eight Pakistani pilots underwent training in the US. The training included a course to make the transition from the F-16 A/B to the F-16 Block C/D aircraft, flight lead upgrade training and instructor pilot certification so that they eight pilots could train others to fly the new jets.

Lending to India to touch \$ 9.3 bn

The World Bank has said its total lending to India will touch USD 9.3 billion for the fiscal ending June this year. The total expected lending this year includes USD 2.6 billion in interest-free credit and USD 6.7 billion in the form of a long-term, low interest loan, the World Bank said in a statement. “Part of this lending is in support of the government of India’s response to the global financial crisis. Another significant portion is aimed at helping the country remove infrastructure constraints to high growth,” World Bank Country Director (India) Roberto Zagha said. These loans are spread across five new projects and are aimed at helping India sustain growth. The World Bank follows a fiscal year from July to June. □□

Indonesia not to boycott U.S. products

Indonesia's Trade Minister Mari Elka Pangestu has said that the country will not boycott the United States products following ban on Indonesia's clove cigarette, detikcom on-line news reported here. She said that the government will settle trade issues in line with procedures allowed by the World Trade Organization (WTO). "The way we settle (dispute) is not by boycotting. We do not retaliate. We have reasonable in all our actions," said Mari. According to Mari, Indonesia's complaint to the WTO put forward trade discrimination aspect as the basis. She said that Indonesian government has posed questions on the ban of clove cigarette while the same prohibition is not implied on menthol cigarette that has flavor. "That is the basis of our protest," she said.

Previously, Indonesia had filed complaint to the WTO's Dispute Settlement Body (DSB) related to discrimination on clove cigarette issued by the U.S. Government in its Tobacco Control Act. The act says that the U.S. Government prohibit sales of clove and aromatic cigarette in the country as they are considered more dangerous compared to non-aromatic one. It says that aromatic cigarette will cause addiction to under age children. (Source: Xinhua)

China, Ecuador stand by India at WTO

CHINA and Ecuador have come out in support of India in its fight against the European Union at the World Trade Organization (WTO) for 'wrongful' seizure of its generic or off-patent drugs in transit to third countries. Both have requested to be allowed to be participants in the consultations between India and the EU that is expected to begin soon as they too stand to be affected by the outcome. "Ecuador has a substantial trade interest in these consultations as shipments of generic drugs destined for the country have been seized in transit in the territory of the European Union in 2008 and 2009," the country's representative at the WTO said in its submission to the chairman of the dispute settlement body of the WTO.

China pointed out in its submission that since it was a significant bilateral trade partner of the EU and the Netherlands (where most of the seizures took place) and a big producing country of generic drugs, therefore it has substantial interest in these relevant consultations. While the countries will not directly participate in the discussions India has with the EU, their presence in the consultations would add weight to India's

position, according to commerce department official.

WTO backs US, Japan in EU trade disput: USTR

A World Trade Organization panel has broadly backed the United States, Japan and Taiwan in their bid to overturn controversial EU tariffs on three electronics products, a U.S. trade official said in Washington. "I can confirm that the panel agreed with the U.S., Japan, and Taiwan on essentially all of our claims," said the U.S. official, in response to published reports. The official spoke on condition she not be identified because the interim panel ruling is still confidential.

The three countries sued the European Union at the WTO in July 2008, saying EU duties on flat-panel displays, multifunction printers and TV set-top boxes violated the WTO's Information Technology Agreement (ITA). The agreement, which eliminates import duties on goods such as computer screens and printers, seeks to boost trade in high-tech goods around the world. The panel has handed its interim report to participants. A final report, which rarely makes substantial changes to the interim report, was expected in September.

India to oppose carbon tax at WTO

India is gearing up to strongly oppose any move by developed countries to impose a carbon tax on developing economies in the next World Trade Organisation (WTO) meeting. According to a senior government official, India is preparing to take on the West on this contentious issue, something that he says is bound to be raised by the US and EU in the WTO.

"There is no question of lying low and accepting demands by the West to impose a carbon tax. We are doing our due diligence on the matter to counter such demands...we will put forth our stand clearly in the next WTO round of meetings," a commerce ministry official who did not wish to be named told media.

At the backdrop of the Copenhagen summit on environment, the developed countries led by US and EU have been demanding an imposition of carbon tax on emerging economies, such as India and China. "Their argument is that just because companies in the West are taxed for environment it gives an unfair advantage to companies from the developing countries since there is no provision here of such a tax," the official added. He said that in per capita terms carbon emissions in the Western countries was far higher than in India. □□