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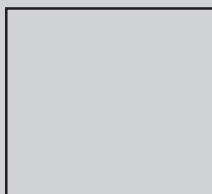
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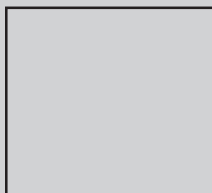
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Hike in the price of petrol

The hike in the price of petrol just a day after the Budget Session of Parliament ended and the UPA Government's third anniversary has caught the people unawares. Inopportune timing and sheer magnitude - the hike by a whopping Rs 7.54 a litre - has raised a storm of protest. However desperately it may try, the UPA regime cannot escape the blame by holding that it has no control over the oil-marketing companies dealing in a decontrolled commodity in a deregulated market. Eventually Congress was in forefront of opposing the deregulation during NDA rule.

Exact reasons for the sharpest hike ever, when the price of crude oil is falling in the international market needs to be exposed. India imports crude oil and refines it domestically to meet nearly all of its petrol requirements. The current sale price of petrol far exceeds the cost of imported crude oil plus that of refinement at home and incidental expenses. The Government must explain why it pegs the final price at so much more than the actual cost.

The present situation calls for a mass struggle to force the Government to roll back the hike in petrol price and give up the much-anticipated and feared move to raise the prices of the other controlled petro-products.

— **Omprakash Singh**, Rohini (Delhi)

Campaign against female foeticide

'Satyamev Jayate' is the ancient, fundamental and authentic indicator of the moral code of conduct of our country 'Bharat'. At this crucial juncture the country is worst afflicted with several moral and ethical issues like corruption, mis-governance, dereliction of duty and the scourge of destruction of female foetus in the womb as a result of predominantly inhuman mindset of the parents, greed and gross misuse of technological advancement by the professionals and the prevalent adverse socio-economic conditions in the country. Bollywood actor Amir Khan deserves kudos for launching the awareness campaign through the electronic media entitled as 'Satyamev Jayate'. This is good thinking on his part and programme is getting positive response from the concerned authorities and the connected people. Child abuse is also becoming a burning problem in the country. This is also a commendable effort to make children aware in respect of falling prey to sexual abuse viz-a-viz precautions and the safety measures they can resort to in the event of dangerous situation.

People should feel emboldened and fully charged to respond overwhelmingly to support this cause. It also demonstrates that celebrities can actually make a difference if they choose to give social issues a push.

— **Prashant Sharma**, Jaipur (Rajasthan)

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Quote-Unquote



Unholy nexus of modern science, commerce and power elite has become a grave threat to the human race.

Arun Ojha

National Convener SJM



It is due to the Stalinist style of functioning in Kerala that incidents like brutal murders are taking place.

AK Antony

Union Minister for Defence



If a black man can become the President of America, why can't an adivasi become the President of India?

PA Sangma

Former Lok Sabha Speaker



India and Burma have been friends not only because of geographical proximity but also because of shared values.

Aung San Suu Kyi

Burmese Opposition leader



SJM used 'Swadeshi' to fight globalization in the manner Mahatma Gandhi used it against colonisation.

S. Gurumurthy

National co-convener SJM

Sliding Rupee

Need for Course Correction

Constantly sinking rupee is sending waves of nervousness across the nation, making life difficult for masses. In just 3 months rupee has slid from rupees 48.7 to 56 per \$US, which is a record. Imports, especially of crude oil, industrial raw materials including metals are becoming costlier increasing suffering for the industry. Common man already reeling under inflation is forced to pay high price of petrol through his nose. Indian students studying abroad are also bearing the brunt. Growth of industrial production has entered into negative zone. Data released by Central Statistical Organisation shows growth rate of GDP has slumped down to merely 6.5 percent in 2011-12, which reminds us of 1990s. There is all round hopelessness in the economy, with high rate of inflation. Alongside there is another lack of hope regarding any reduction in interest rates that could give boost to the economy? Twin deficit trauma is haunting the economy. All ills of the economy are now being depicted by sinking rupee and the government seemingly is not doing anything to arrest the fall of rupee. Rather whole blame is being put on external forces, especially international crude prices, European crisis etc. But this is not the right diagnose. Had external factors been responsible for the present day problems, then why only Indian rupee is sinking among all emerging economies? Fact is that present day problems of the economy are primarily due to wrong government policies and its failure to act appropriately and timely. Swadeshi Patrika has time and again forewarned the government to stop liberalization of imports against national interest. But, government has not paid any heed and imports have reached a record of \$US 488 billion in 2011-12. This has resulted in the balance of trade deficit of \$ US 185 billion in 2011-12, which is turning out to be more than 11 percent of GDP, and cannot be financed through normal channels namely software exports, remittances from NRIs and necessitates external commercial borrowings, FDI and FIIs.

Composition of increase in imports reveals dangerous trends: 1) Imports of gold have reached \$US 50 billion in 2011-12, against \$ US25 billion in 2010-11. It is worth mentioning that there seems to be a direct link between 2G Scam, CWG Scam etc. and import of gold, as scamsters are converting their black wealth into gold. 2) Import of crude oil is on rise for two reasons, one increase in price of crude oil and two increase in the quantity imported. It is true that we don't have much control on international crude price. However we can definitely decide the source of our imports. It is no secret that we have been importing 9 percent of our oil needs from Iran. As per the trade agreement reached between India and Iran, we can make 45 percent of our oil payments in terms of rupees to Iran, doing away with requirement to pay in dollars. Recent statement of the government that they intend to further reduce the sourcing of crude oil from Iran, seemingly under the influence of USA, is unfortunate and is causing stress on already troubled rupee. Crude oil imports from Iran have already declined by about 34% in April 2012 compared with March 2012. 3) Due to crisis in the Western Europe, FIIs have been indulging in flight of capital from India, raising the demand for foreign currencies, causing damage to our currency. On earlier occasions also they have been adopting the same practice. It is unfortunate that the government is sitting idle and doing nothing to restrict these FIIs. 4) Last but not the least, imports from China have consistently been increasing and trade imbalance with China is expected to reach \$US 25 billion in 2011-12. Increasing imports from China is not only stressing our rupee and causing heavy damage to our domestic small and medium industry, it is also causing drying up of order books of our infrastructure and machinery industry and companies like BHEL, L&T are coming under stress. In view of the gravity of the situation, it is imperative to impose effective quantitative restrictions on the import of gold. Increase in import duty on imported gold in the Union Budget 2012-13 is a welcome step but this is not sufficient to bring down increasing gold import, we need to impose quantitative restrictions on import of Gold. Nation has been witnessing indiscipline of FIIs and their fly by night attitude. There is a strong need to restrict FIIs and impose at least 3 years lock in period on FIIs and impose heavy tax on the profits repatriated on the lines of Brazil. There is no logic or need to act under pressure from USA, government should stand firm and step up imports of crude oil from Iran, instead of reducing the same, crossing 'technical hurdles'. Looking at the trade imbalance from China there is an urgent need to take effective steps to bring down imports from China, invoking phyto-sanitary and health measures, anti dumping and security issues. Instead of being a mute spectator, course correction is the need of the hour.



Unholy nexus of modern science, commerce and power elite a threat to human race: Arun Ojha

Report by Pradeep Sharma 'Deepak'

National convener of Swadeshi Jagaran Manch came down heavily upon the unholy nexus of modern science, commerce and power elite that is threatening the very existence of human race.

Speaking in the concluding session of National Executive council of Swadeshi Jagaran Manch that met in Agra (Uttar Pradesh) on 19th & 20th May 2012, Sh. Arun Ojha cited the example of Bayer that manufactures Nexaver, an anti cancer drug. The German company was charging a whopping Rs. 2.80,000 for a monthly dose just because it holds the patent of the drug. The moment Drug controller of India issued compulsory license to Natco, a Hyderabad based Pharma company the costs came down to Rs8800. Cipla has promised to provide the drug for Rs 6500 only. Sh. Arun ji cited this example to

point out the inhuman, abusive and cruel nature of MNCs who don't hesitate to profit from human suffering.

The two day NEC meeting was well attended and all the participants were full of enthusiasm, vigor and hope. All most all the issues currently confronting the nation were discussed threadbare and future course of activities charted out. Three resolutions were also passed unanimously in the two day meet.

Brief talks on important topics of national importance were delivered by experienced and knowledgeable national leadership of the SJM. A public programme was also held on 19th of May. Prominent citizens of Agra attended it in large number. The venue hall was packed to capacity.

Panel of speakers was eminent and impressive in exposition

of the subject. It was a remarkable symposium that will be remembered by the participants for a long time to come.

Inaugural session of the two day meet was held at 10.30 a.m. National convener Sh. Arun Ojha inaugurated the meet. National Co-conveners Sh. Saroj Mitra, Sh. S. Gurumurthy, Prof. B. Kumar-swamy, Prof. Bhagwati Prakash Sharma and National Sanghathak Sh. Kashmiri Lal were also present on the dais. All of them together lit the traditional lamp.

Sh. Arun Ojha reminded the importance of Agra for SJM because many important decisions in the brief history of SJM were taken here. He set the agenda of the meet in his brief speech and asked delegates to take appropriate decisions in view of the rapidly changing situation. Prof. Bhagwati Prakash Sharma said in his speech



Sh. Arun Ojha
National Convener,
NEC meeting, Agra

Sliding Rupee is a Very Serious Challenge and Concern. Currency cannot be treated as a commodity whose value will be determined by market forces.

Currency is the powerful weapon of any country in economic wars. We must not allow devaluation of Rupee even if that means Isolation. World is engaged in economic War and we can't afford to lose it.

But the mindset of successive governments in this regard has been self destructive. Finance Ministers do not pay appropriate importance to the value of Rupee and hence do not take necessary steps to strengthen it. Merciless and cruel character of MNCs is adding to the woes of common man. These MNCs have entered into an unholy nexus with leaders of big business, politicians of the ruling establishments and are using modern science and technology to exploit suffering people. This immoral alliance is posing a grave danger to the existence of human race. It is our responsibility to rescue the humanity from them. □

gave a detailed account of the important moments of SJM during last 20 years.

In the second session state units submitted their reports. Sh. Nambi Narayan gave a brief account of the 840 KM yatra that covered 32 cities on the issues like FDI in retail Trade, BRAI, Land Acquisition Bill, black money and water policy in Tamil Nadu. Shree Prannoy Roy reported about the potato farmers conference and other events in Bengal, sh. Devendra Vishwakarma about youth wing activities in MP, regarding Jharkhand by Shri Rajesh Upadhyay, forced entry, arrest and release without bail against Coca-Cola company in Plachimadha by KV Biju, about Bihar by Shri Akhilesh Singh. Sh. Swat Ranjan of Orissa, Shri Mohan Pawar from

Chhattisgarh, Shri Anupam Srivastava about Awadh province, sh. Jankraj Mudgil about Himachal Pradesh, sh. Subash Sharma about Punjab, shree Rajmahendra Reddy of Andhra Pradesh, sh. Yashovardhn Tripathi of Kashi, Shri Bhagirath Chaudary of Rajasthan and smt. Renu Puranik were other persons to submit reports of activities in their respective areas. Swadeshi Samarthak campaign was also discussed in detail. Members shared their experiences in this regard and suggested to continue it in a time bound mode.

Publication of literature linked to Rashtra Rishi Dattopant Thengadi: Sh. Ramdas Pandey (contact nos-9868259868, 011-23222654) of BMS informed the NEC about the effort to gather and publish the available mate-

rial about the life, vision, mission and ideas of *Rashtra Rishi Dattopant Thengadi*. The literature on all aspects related to his life and ideas like events, speeches, Audio and video CDs, Visits and personal anecdotes are being collected from all over the country. Idea is to compile it all and release by the year 2014, he added.

Ajay Bharti, editor *Swadeshi Patrika* also shared with the council members' information regarding the publication of a series of write ups about Thengdi Ji in *Swadeshipatrika* for last three months. He appealed for contribution to this series from members and the people in their contact who knew and were associated with Dattopant ji. Ajay Bharti described it as a duty of every follower of Thengdi ji to disseminate information about him to people across the globe. Sh. Arun Ojha National Convener urged all members to support the cause.

In third session Sh. Saroj Mitra spoke about the need of the organization/front like SJM. Taking further the thread where it was left by Sh. Saroj Da, Sh. S. Gurumurthy recalled the atmosphere prevailing in the world and in the country at the time SJM came into existence 20 years back.

Sh. Muralidhar Rao, former national convener spoke about agriculture and the problems farming in India is facing.

An Impressive public meeting was held on the subject proud part, challenging present and bright future of India.

Regarding Rashtriya Vichar Varga (National workshops) region wise dates and venue were given as follows: Eastern Region - Date 6,7,8 July 2012, Bodh Gaya

Resolution - 1**External dependence Hampering technological development**

Technology Development in the country has been hampered due to over dependence in the guise of liberalization in high technology sectors on external sources. This dependence in high technology is a cause of concern for growth, Trade Balance, Foreign Exchange reserves, employment and security of the country, both internal & external. Liberalised imports, FDI and Patent regime pushed by WTO and other Trade related restrictions have adversely affected high tech industrial production.

Telecom sector has become fully dependent on Chinese imports for 4th generation technology only because no efforts were made to develop 2G, 3G, or 4G products in the country. This has disturbed Balance of Trade besides endangering the internal & external security of the country. The same is being repeated in power generation sector.

Because of Indiscriminate imports and undue Promotion of FDI, India is lagging behind in advancement of consumer goods to fully automated vehicles, consumer durables, electrical and electronic items, heavy machinery, chemicals, pharmaceutical sector, agro-chemicals, construction, textile manufacturing machines, mining equipments, high capacity information technology goods, and infrastructure sector. Prime Minister has himself conceded this in his address to recently concluded 99th Indian science conference held in Bhuvneshwar.

Expenditure on R&D in real terms in India is negligible. While Israel, Sweden, Japan, UK, South Korea, Taiwan, USA and China are spending 3.0 to 4.2 per cent of their GDP on R&D. In India this is less than 1% of GDP. Gross expenditure on R&D in India is consistently declining. Corruption induced preferential policy of allowing low quality cheap imports has adversely affected technology development in private sector also. Massive corruption in purchase of Sub-standard air-cooled Tata Trucks running on obsolete fuel-guzzling old engines and similar other decisions have increased the reliance of Defense sector on unreliable sources. Purchasing Sub-standard trucks worth 5000 crores at thrice the cost available within country could have benefited the Indigenous development of technology immensely.

National Council of SJM cautions government to stop this policy of reliance in high end technology sector and instead give priority to development of high end technology and manufacturing, based on such technology within the country. NEC appeals to countrymen to mobilise public opinion to force government to take necessary steps required to develop R&D in Defence, IT and all other knowledge based sectors to make India self reliant. People must also give preference to Indigenous products based on our own high end technology to help its advancement in line with swadeshi moment. □

**Sh. Saroj Mitra**

National Co-Convener

Glancing through the achievements of SJM in its brief period of existence reveals that there is no other organization like SJM. Initially it was thought that BMS will fight the onslaught of globalization in 1990. But soon it became clear that offensive was much graver and special efforts were required to counter it. That is how SJM came into existence.

‘Swadeshi’ we must understand is the manifestation of collective genius of a nation. Organizations and fronts like SJM should explain the meaning behind the words like “Swadeshi” to the people. Every nation is not mere its territorial limits. Like an individual a nation also has its ‘Swa’ (self) that is acquired over centuries of living together. SJM is an effort to bring people of diverse background, together and persuade them to work together for the betterment of country and Humanity. □

(Bihar) .Western Region - dates will be communicated shortly. North Zone - dated June 2012 1,2,3, Bhilwara (Rajasthan) South Zone - 10,11,12 dated August 2012, Trichy (Tamil Nadu)

Sh. Arun Ojha ji also announced the following changes and or addition to the responsibility of following:

- Dr. Dhannpatram Agarwal (Kolkatta), National Co – Convener.
- Sh. R. Sundaram (Madurai), Regional Coordinator (all four provinces of South)
- Sh. Govindram Agarwal (New Delhi), State Convener (Delhi)
- Sh. Sushil Panchal, Co - convener (Delhi)

Resolution - 2**Withdraw Foreign Educational Institution Regulation Bill**

National Executive Council of SJM expresses its deep anguish over efforts of the Union Government to allow foreign Universities in India. Government is attempting to bring in Foreign Educational Institutions (Regulation of Entry and Operations) Bill in the Parliament after receiving the Cabinet approval. This is in spite of the fact that a vast majority of organisations and stake holders in their representations to the standing committee of the Parliament registered their opposition about the Bill. Prominent educationists, vice chancellors of several universities and most of the students unions have protested against introduction of the Bill in Parliament. SJM will oppose any attempt to pass the Bill despite overwhelming opposition to it in the country.

SJM is of the considered opinion that this Bill will open floodgates for such foreign educational institution whose sole objective is to only earn profit. India stands next only to China and America when it comes to higher education. Gross enrollment ratio in higher education rose from 0.7% in 1950-51 to 15% at present. 1.4 crore students stand enrolled in higher education Sector in India as on date. 24 lakh students graduate every year in India. Increasing population of youngsters and wide spread awareness regarding higher education has multiplied the demand for institutions higher imparting education. Even though the share of Private sector in higher education in India is only 5% at present, still the estimated business potential of this sector is supposed to be over 78 billion USD. This expanding expectation of business opportunities in the higher education sector of the country has attracted market forces of world to pocket the benefits. It is suspected that the Bill in question is being enacted under the pressure and lobbying of these market forces.

Swadeshi Jagaran Manch firmly believes that development of any country or society is based on education and is directly proportionate to spread and quality of education in that society or country.

Unfortunately UPA government is consciously withdrawing from such an important sector only to allow foreign institutions to pocket huge profits, selling education as a 'Product' in the era of economic neo-liberalisation. Comparative numbers reveal that in spite of having a huge number of Degree Colleges & Universities not a single Indian institution finds its place in top 200 educational Institutions of the world. Unwarranted political interference, vacant posts of teachers, rampant corruption in regulatory bodies inspecting institutions of higher learning etc. are some of the reasons responsible for constant degradation of educational standards in the country. Government policies on the other hand are encouraging marketisation of education resulting in pushing higher education out of reach of the poor students. In such a situation which has already worsened, government is proposing to empower foreign educational institutions with autonomy to decide cost of study and admissions through this Bill.

Proposed Bill has certain provisions like Institutions having 20 years experience in Education sector, depositing a corpus fund of Rs. 50 crores, restriction on repatriation of profits and compulsory registration with UGC that give an impression of stringent regulations. But experience of FDI in other sectors of economy establishes beyond doubt that these foreign institutions manipulate their way through all these controls and plunder nation with ignominy. And government has provided the way for such manipulations by adding a provision that speaks of relaxation in norms to so called quality institutions by the Advisory Board of the Government. SJM feels that the controls and regulatory mechanism provided in the Bill is a farce.

Argument put forward in favour of the bill that it will save precious foreign exchange spent by the students studying abroad does not hold the ground. On the contrary there is a strong possibility of exploitation of Indian students resulting in further expatriation of profits by these institutions. There is added fear of good quality teachers leaving Indian institutions for more attractive pay packages and further complicate the already short availability of such quality faculties.

Reservation for poor and SC/ST candidates in these institutions is yet another aspect to be considered. Will the Indian laws regarding reservation apply to these institutions? When Indian private sector institutions are not ready to provide reservations to poor and socially backward students, how can one expect it from foreign institutions! This may add fuel to social conflict. Syllabus of these institutions will be another dimension of concern. Will they prepare their syllabus conforming to our national values and interests? Will the medium of instructions be Indian languages? The Bill is silent on all these important aspects. SJM firmly believes that foreign educational institutions cannot be permitted to exploit and plunder Indian students. Government needs to be extra cautious in this regard.

NEC of SJM demands that this Foreign Educational Institutions (Regulation of Entry and Operations) Bill be withdrawn forthwith. □

Sh. S. Gurumurthy

National Co-
Convener



Let us recall the atmosphere prevailing in the world and in the country at the time SJM came into existence 20 years back. There was a Tsunami of Globalisation in 1991, soon after the collapse of USSR. Even the communists defected to capitalist model believing it to be the only way available. In such an environment where there was no one ready to believe any possibility of alternate way out available to the world SJM decided to stay afoot and confront the invader.

In a manner Mahatma Gandhi used "Swadeshi" to fight colonisation SJM utilized it to fight globalization. We provided viable alternative and built the confidence of people.

SJM started with a trust deficit, but managed to make its point by exposing false claims and projections used by globalization apologists to support their view. SJM was assertive in propounding the alternate view point that believed in the internal savings in place of FDI, Domestic market instead of export oriented growth and also in the inevitability of the collapse of WTO because of its internal contradictions. Now after 20 years we have been proved correct.

We need to be focused in future course of action and map India and the Indian society to fight internal divisions and distortions. We will also have to fight corruption including the life style corruption. This will be the second stage of SJM struggle. □

Swadeshi Jagaran Manch is the battle cry of India against the Big brother attitude of the west lead by US. Twenty years ago we had said that both, communism and capitalism are against nature. After collapse of communism and socialism people thought that capitalism is the only way left. But economic crisis of 2008 exposed the lopsided understanding of development of these so called experts.

Development is living with complete understanding of Geography, nature, language, dress, food, cultures etc. of a place. Last 200 years of individual centered Development has brought the universe to the verge of explosion.

Indian way of life is like beacon light in such a situation. A fair balance of civilization ethos and materialistic progress and a Political and economic model based on such a way of life only can be beneficial. GDP alone can't be the measuring rod of progress. Forest cover, livestock population, fertility of the land, availability of safe drinking water, Public Health Care system and Happiness index have to be essential components of determining development. Social Structure based on our civilisational ethos has to be weaved by threads of relations and not chained by conditions. Number of people and organisations are active in the country. A constant dialogue, regular contact, and a work culture of complimenting each other is required. □



Sh. K.N.

Govindacharya

Convener,
Rashtriya
Swabhimani Andolan



Sh. P.

Muralidhar Rao

Former National
Convener

Questions about relevance of Swadeshi have not died down as yet. Twenty years of struggle has changed only the nature of debate. We have now experience of Twenty years to prove that what SJM said was correct. WTO is almost defunct. World has moved towards Bilateral agreements. Earlier our external affairs Minister used to go from one capital to another to invite MNC's to invest in India and in return promised them to reap more than what they got in 150 years. Now CMs of our states are being contacted by likes of Hillary Clinton to plead

for their support to open Indian markets for them. Shift is now understood by people.

We asserted in the very beginning that it is their need to come here. We cannot progress by export oriented growth. We will have to think over entire political set up that has been hijacked by money power to ensure that fishermen, weavers, farmers and similar other Vulnerable sections of population is not subjected to uneven competition resulting in their forced displacement. A decisive struggle is the need of the hour.

Similarly Agriculture is an important sector in the country and its prominence in the national life is going to remain. There will be no major change in the number of people dependent on agriculture in immediate future. India cannot afford to ignore the farming sector. India as a country cannot risk becoming a food-imports-dependent country. No country in the world is or would be in a position to feed us. It is our responsibility and also a challenge to feed our growing population. Any leniency on this count will threaten our sovereignty. We need to remain vigilant and watch parliament, where so many important bills-crucial for agriculture sector - are pending. □

Resolution - 3**Excessive Dependence on Foreign Investment is Ruining the Nation**

Swadeshi Jagaran Manch is of the considered opinion that for the present economic crisis, government's mind set of excessive dependence is responsible. Government has been giving various allurements to attract foreign investors. Now the situation is that the government is working under pressure from foreign investors. Recent statement by the Prime Minister's chief economic advisor that inability of the government to open up retail sector for multinational corporations, is responsible for the present economic crisis, clearly indicates the extent to which the present government is dancing to the tunes of foreign investors. It is impossible to improve the health of the economy without adopting meaningful Swadeshi alternatives and the fancy for foreign investment is not given up.

Since foreign investors have been given free hand in the name of liberalization, trade balance is constantly widening. Foreign companies have been galloping the domestic companies. Foreign companies have been pushing Indian companies in automobile, telecom and service sector out of competition. In the pharmaceutical sector multinational companies have been taking over Indian companies. Some time back only one company out of top 10 in pharmaceutical sector was in the hands of foreigners, now three out of top 10 multinational corporations. Recently Ministry of Health, government of India has cautioned against the takeovers by multinational corporations, of pharmaceutical companies, and recommended for taking suitable steps to curb the same. But it is unfortunate that government in its enchantment for foreign investment has chosen not to act in this regard.

Sinking value of Rupee, post Euro crisis is making everybody sleepless. The exchange rate of rupee, which was rupees 48.7 per US dollar has gone down to rupees 56 per US dollar. Anybody can understand the miserable condition of our imports due to constantly sinking money. Huge trade imbalance is widening fast and our foreign exchange reserves are depleting fast. Government has been proved to be totally useless and is acting like a mute spectator. It is feared that if situation continues like this, inflation will further flare up and living standards of the general public will further get deteriorated.

The government has not only been giving free hand to foreign investors, rules and regulations are being amended to suit their requirements. They have been given full freedom to carry out their plunder in infrastructure sector also. Many facts have come to the fore, which depict that multinational companies are escalating project cost to multiply their profits and plunder the national resources. Comptroller and Auditor General of India (CAG) has also warned the government against undue escalation of project costs and has said that if they are not stopped, they may cause a big disaster for the nation. On the other hand government has been neglecting natural and human resources of the nation as it has failed to provide reasonable health and education facilities for the people. Agriculture is being totally neglected, as hardly one percent of central budget is being spent on agriculture. Farmers are increasingly getting dependent on foreign companies for their seeds and fertilizers requirements. Government has failed in procuring food grains for the farmers and thus providing them remunerative prices for their produce. Food grains are rotting in open. The government, expert in patting its back, has actually duped the people, as they are neither getting employment nor food security.

Salaried people are also fed up with the government as cost of living has been rising making life difficult for them. In the name of controlling inflation Reserve Bank of India has been constantly raising interest rates, which has been discouraging investment in the country. Businesses are getting spoiled due to rising interest rates. Domestic savings which have been saving the nation from disasters is also affected due to eroding saving capacity.

This National Council of Swadeshi Jagaran Manch demands that the government give up its enchantment for foreign investment and domestic investment be encouraged. A minimum of three years lock in period be imposed on investments by foreign institutional investors (FIIs). Tax be imposed on incomes of FIIs on the lines of Brazil. Tax concessions on foreign investments through Mauritius route be withdrawn forthwith. Ban be imposed on imports from China. Credit is made available for agriculture and small scale industry on easy terms. At no cost permission be granted to foreign companies to enter into retail sector. Stop acquisition of agriculture land for industrial, residential or any other non-agricultural use.

Swadeshi Jagaran Manch demands a white paper on the loss to the economy caused by foreign institutional investors including depreciation of rupee. □



**Prof. Bhagwati
Prakash Sharma**
National Co-Convenor

SJM has completed 20 years of its creation. Since then it has undertaken a number of campaigns and agitations. Chetna Yatra, over 1 million meetings across the country, Enron struggle, iodized salt, BT Brinjal, Ski Village (Himachal Pradesh), Gangret SEZ (Himachal Pradesh), drive against Coca – Cola in Plachimadha (Kerala), Metro cash and carry (Bangalore), turmeric farmers (Andhra Pradesh), Vedanta movement (Orissa), potato farmers (Bengal), include some of the successful movements of Swadeshi in the country. Besides distribution of millions of handbills with lists of foreign goods, regular publication of Swadeshi-patrika (Hindi and English) since the August 15, 1995; 600 km Yatra to protect livestock from Sevagram (Gujarat) to Alkbir (Andhra Pradesh), Matsaya yatra through Sea route to protect fisherman from Porbandar (Gujarat) to Kakadvip Trivandrum (Kerala) in 1999, Hoonkar Sabha in Ramlila Maidan (New Delhi) in 2003, New Delhi and Vrindavan Jutan, River Conference (Jharkhand), the movement to protect the interests of beedi workers, 800 km yatra in the south, 38000 signatures of retail shopkeepers to oppose FDI in retail trade; fight in support of street vendors, FDI in insurance, crusade against China's challenges and awareness campaigns on similar other issues have been some of the important aspects of SJM journey so far.. A number of representatives of the Manch also participated in various meetings of WTO. Similarly in National and provincial Vichar Vargas thousands of workers have been trained. More than 50 books in different Indian and foreign languages have been published on issues related to Globalisation. Numerous research papers and Audio - Video CDs Have also been created.

These are some of our achievements. But the challenges continue to be numerous. 51% FDI limit in 743 industries which was allowed through Automatic route has been raised to 100 per cent. The import tax rate that used to be 320% now averages 14 per cent. Two-thirds of the production system has been dominated by foreign companies. This year's current account deficit and foreign trade deficit is more than what it used to be 1991-92. Government in its efforts to recover from this conundrum is further staking national assets. Privatization of water is a part of it. MOUs have been signed in 245 districts of ten states in the country.

The development of communication technology was stopped after 1G. Due to this country has to import 2G, 3G & 4G based Technology and tools in large quantities from abroad. The import bill for these items has almost been reached the oil import bill. Electricity demand is growing rapidly. But technology development for power generation plants is not able keep the pace. These are the reason for our dependence on foreign countries. Country's trade deficit (balance of imports and exports) is \$185 billion. Country will have to confront a serious problem when the time comes for payment of Bonds. These challenges need to be taken by Swadeshi Jagran Manch in the near future. □



- Sh. Ashutosh, Co-convenor (Delhi)
 - Sh. Narottam Thakur, Co-convenor (Himachal Pradesh)
 - Sh. Dina Nath Thakur, Prant Sangathak (Himachal Pradesh)
 - Smt. Anjna Sony, National Council Member (Himachal Pradesh)
 - Sh. Arvind Agarwal, National Council Member (Western UP)
 - Sh. Shiromani Dubey, National Council Member (MP)
 - Sh. Sharad Agarwal, National Council Member (Jabalpur, M.P.)
 - Sh. Jitendra Mahajan, National Council Member (Delhi)
- 11th National Conference will be held from 4-7 October 2012 at Nagpur (Maharashtra), NEC was informed. A huge congregation of farmers and people related to farming will be held in New Delhi. Information including dates in this regard will be notified shortly. □□

UPA's white paper on black money a farce



The White Paper seems to make a virtue of the instrument called Participatory Notes by impishly suggesting that substantial money parked outside India has returned to India through this route. If that is true, why does the Government not act against the participatory notes in question, asks M.R. Venkatesh

Despite the massive levels of black money being generated, the Government has not been able to net the big fish in any meaningful manner. Therefore, the people have come to accept that scams have become a way of life in India.

The White Paper on Black Money that has been released by the UPA Government is a pathetic exercise in understanding, let alone tackling, the menace of black money. Anyone with a rudimentary understanding of global finance, national taxation and Indian economy would dismiss this document as the first draft of a junior under-secretary rather than a serious document of the Government of India on a subject that has been agitating the collective conscience of the nation for the past few years.

The document innocently assumes that black money is "income on which the taxes imposed by the Government or public authorities have not been paid." It goes on to add that this definition of black money is in "consonance" with the definition used by the National Institute of Public Finance and Policy, which in turn defined black money as "the aggregate of incomes which are taxable but not reported to the tax authorities", little realising all this is of 1985 vintage.



In short, should the 2G Spectrum scammers pay 30 per cent taxes to the Government from their share of loot, they can claim to have no black money.

Therefore, the real issue is not merely the payment of income tax. It is the source of illicit wealth — through crime, corruption and illegal commerce — that makes any such study, especially in the Indian context, completely riveting. In fact, black money — read untaxed income — is passé. Put pithily, modern Governments have to deal with 'red money', which is more complex in design, sinister in deed and debilitating in its impact than black money.

What is missed by the document is that the generation of this red money within India, its transfer abroad through hawala channels, converting such illicit wealth with the assistance of international banks in tax havens into illicit wealth, re-investing such laundered money back into India through specious instruments such as participatory notes and at times even as foreign direct investment are all part of an integral package, aided and abetted by policies of the Government itself.

It's not a wonder that the alleged big daddy of all known launders — Hassan Ali Khan — who, along with his wife and associate

owes the Government in excess of Rs 70,000 crore, is conspicuous by his absence in this document. Naturally, without naming him (and his political masters), the document is akin to Hamlet without being the Prince of Denmark. Recall that even to this date the Government has not recovered a single rupee from the said bank accounts of Hassan Ali Khan nor has it produced any explanation as to his source of income in the first place.

What is worse is that there are several such persons that have laundered huge amount of wealth abroad, some known and some unknown to the Government. Some of these people are more daring and continue to operate without any fear, even within India. And a Government that is incapable of providing details even on one such person is the author of this document.

Quoting a World Bank study on 'Shadow Economies' of 162 countries from 1999 to 2007 the document notes that India compared "favourably" with other countries. But the UPA regime forgets that the global average had dropped from 34 per cent in 1999 to 31 per cent in 2007, while for India it has increased from 20.7 per cent to 23.2 per cent in the same period. Naturally a contrasting picture emerges — one where the shadow economies' share of India's GDP is rising in direct contrast to the sharp fall globally.

What is galling is that the document uses methodology used by economists and analysts between the 1950s and the 80s to capture



The judicial system has been unable to convict anyone from our ruling elite, despite overwhelming evidence available in such high-profile cases of corruption.

the quantum of black money generated within our economy. It may be noted that most of these negative developments have hastened since the 80s when the Indian economy underwent mild doses of reforms. Contrary to the popular belief that liberalisation of the economy would prevent corruption, the deepening of the reforms process since the early 90s is seen as having increased opportunities of corruption.

The emergence of globalised corporations with huge financial and political powers disproportionate to the power of our Government has provided an impetus for a very high level of corruption. To this extent the document is fatally flawed on its estimation of the quantum of black money generated annually and transferred abroad, especially using antiquated

methodologies.

In the Indian context, there is something more: Despite such massive levels of corruption, we have not been able to nail the big fish in any meaningful manner. Therefore, it is rationalised that scams have become a way of life in India. This indicates massive levels of corruption,

the availability of irrefutable evidence and the impotency of the law enforcers. What is traumatising the collective conscience of the nation is the fact that the judicial system has been unable to convict anyone from our ruling elite, despite overwhelming evidence available in such high-profile cases of corruption. The White Paper is tellingly silent on this particular aspect.

On the issue of this illicit wealth abroad having returned to India through the obnoxious participatory notes route, the document is mischievously misleading. Recall that the 2001 stock market scam, which ultimately led to the formation of a joint parliamentary committee, was in effect a participatory notes scam. Repeated assurances from market regulator Securities and Exchange Board of India that participatory notes are well regulated is akin to the assurances from the ISI that it does not indulge in any terror activities. Worse, the White Paper seems to make a virtue of this instrument by impishly suggesting that substantial money parked outside India has returned to India through this route.

If that is true, why does the Government not act against the participatory notes in question? □□

Defence Scams are a Threat to our National Security

Tatra Truck Scandal : 25 Years of Historic Recklessness



In view of the growing incidence of allegations of irregularities and grafts in defence deals, India should invest more funds for indigenous development of defence hardware, advises Prof. Bhagwati Prakash

The Tatra truck scam, perpetuating since 1986 has no parallel in the history of the defence scams erupted world over. Till date, no defence-scam could ever defy scrutiny for almost 26 years, in spite of gross recklessness in placing repeat orders in supersession of the clearly defined policy directives as well as official objections raised from time to time, against the recurring orders placed for purchase of the out-dated vehicles, with 100 percent over-pricing. The ill-fated, all-terrain trucks of Czechoslovak origin are being procured since 1986, wherein 7,000 units, worth more than Rs. 5,000 crores have been purchased repetitively from a vendor-firm, owned by a London-based NRI, instead of buying these from the original equipment manufacturer, which is a Czech company. While, the defence procurement policy of the country forbids all defence purchases, except from the original equipment manufacturers.

The scandal appears to be much deep-rooted with wider ramifications as the retired general, who offered Rs. 14 crores to the army chief, General V.K. Singh, in return for ordering 700 more such trucks has been said to have stated that such graft for securing similar orders had been a routine

in past. The vehicles are being routed for an eyewash through the public sector company, the Bharat Earth Movers Ltd. (BEML) which of late has been charging a profit of Rs. 20 lacs per unit from the army. The BEML's setting up of a Rs. 260 crore factory, employing 500 personnel in Palakkad, the erstwhile assembly constituency of the defence minister A. K. Antony, when he was the Chief Minister of Kerala, may have been used as a gesture to soften and win his (Defence minister's) support for the deal by the BEML's CMD Mr. Natarajan. If it was so, the matter becomes even more grave. The issue of violation of norms is also said to have been objected by

Brigadier I. M. Singh, from the office of the Master General of Ordinance (MGO) in 2003. But, he was then shifted out of the MGO. The irregularities were also brought to light by a former Congress MP from Karnataka, Mr. H. Hanmanthappa in August 2009. But the dubious inaction on the part of the defence minister till the matter was reported in the media after an interview of the outgoing army chief, General V. K. Singh, who was fed up with the perpetuating irregularities in defence procurements is quite intriguing. Surprisingly, it was of no avail for initiating action in the matter, even when he (General V. K. Singh) had brought the matter into the notice



of the defence minister personally. Even, the complaint of irregularities forwarded by Gulam Nabi Azad too was of no avail. The investigations, therefore, should not be confined to the period commencing from 1997 as stated by the government, but the deal be investigated since 1986 when it was originally entered into, or at least from 1993 when the Czechoslovakia split. The matter is serious enough that the trucks worth Rs. 25 lakhs were being sold to Indian Army for Rs 70-75 lakhs. It also needs to be investigated, if the similar units could be procured from Tata Motors and Ashok Leyland in the range from Rs. 16-20 lakhs indigenously as is appearing in certain sections of media. There can be no explanation that Why did we opted to loose this opportunity to have self reliance in defence procurement. It could help us develop indigenous technology and help save forex. It is also being alleged that the entire sales proceeds, paid by the BEML to Tatra Sipox in the United Kingdom, were sent to Liechtenstein. Investigation into the further flow of funds from there would expose out all the beneficiaries.

It is more serious that honest defence officers were shunted out of their position whenever they had pointed out the flaws in the deal or in the quality of vehicle. How could any honest officer agree to accept an 'air cooled' engine of 70s with Euro I emission norms when 'liquid cooled' engines with Euro IV emissions compliant vehicles could be procured for a lesser price. As stated above, Brigadier I. M. Singh was hounded out of Master General Ordinance branch for raising queries about the dubious role of the BEML in the deal.

Even of late, a deliberate and hyper-active maligning campaign being steered against General, V. K. Singh, who acted as an honest whistle bower, instead of accepting the graft, is evident of the fact that how powerful are the lobbies of the defence deal brokers. The CBI raids of April 18, on 3 people, linked to the London-based suppliers of the Czech made all-terrain vehicles, should not remain a mere eye-wash, but, lead to ensure punishment for the guilty, how powerful they may be. The apex investigating agency has to be allowed to act freely and if allowed to do so, many heads are bound to roll, as these trucks are being procured since 1986. Investigations and prosecutions in such cases pertaining to national security need more teeth as the CBI has charge-sheeted arms dealers and officers of the Ministry of Defence officials in as many as 18 cases in last 10 years, but, with little success. India is the world's largest arms importer. The country has imported arms worth over Rs. 60,000 crores between 2007 and 2011 and shall import arms worth over Rs. 5 lac crores (\$100 billion) in next 10 years.

The recent decision to buy the French made, medium multi-role combat aircraft, Rafale (the biggest ever order placed for the Indian Air Force till date) has also not gone down well with a number of experts, who allege that by the time these aircrafts would be inducted into the fleet of aircrafts for the Indian Air Force, they might turn partly outdated. The company was on verge of closure, as it had no orders to supply in last 25 years. Already, the fifth generation fighter jets are on offer, and China is already in the advance stages of

developing fifth generation stealth aircrafts. Rafale's competitors are said to have offered fifth generation aircrafts in the follow up of this deal as well, in this bid. To the contrary Rafale has no evidence of working and attaining any breakthrough in developing the fifth generation fighter aircrafts. Rather it had failed to find a buyer in the last 25 years. What latest state of art technology can be offered by a company, which had no orders in last quarter century and had no enough revenues and resources to invest in R & D to keep afloat in technology development in this era of fast obsolescence of technology.

The Problem of irregularities and alleged grafts in defence deals has been perpetuating and incidents are growing ever since independence. As early as in 1948, the then Indian High Commissioner to the United Kingdom, Krishna Menon, who later on became the Defence Minister of the country and played a 'dubious and doubtful' role during the Chinese war of 1962, was alleged of having committed irregularities in the Jeep imports then, in the wake of Pak aggression in Jammu & Kashmir. Therefore, in view of the growing incidence of allegations of irregularities and grafts in defence deals, India should invest more funds for indigenous development of defence hardware. If we could develop the best in the category of the Brahmos missiles and the Tejas – the light combat aircraft; why should we not step up our efforts in other directions as well? We would save precious foreign exchange, develop indigenous technology, acquire self reliance and avert such incidents of alleged irregularities and corruption. □□

Public Policy: Threat of Investment Treaty



*Vodafone's action of choosing investor-to-state provisions under the BIT instead of judicial review against a proposal for retrospective application of capital gains tax is believed to increase pressure on the Government of India to withdraw its proposed amendments prior to the approval of the parliament, thinks **K M Gopakumar***

Sistema has already sent a formal notice to the government threatening international arbitration proceedings under the provisions of a BIT between India and Russia. The notice warns that Sistema would initiate international arbitration against the Government of India if the latter fails to settle the dispute related to the revocation of its 21 telecom licences in an amicable way within six months.

Sistema invested in India through a joint venture with an Indian investor Shyam Telecom in which it holds a 17.4% stake.

There are media reports in Times of India on 27 March that Telenor sent a notice to the Government expressing its intention to invoke international arbitration for failure to protect its investment in the country.

The same reports also stated that Telenor is seeking nearly US\$14 billion in damages. Telenor is citing the India-Singapore FTA to invoke the international arbitration since the investment is routed through a Telenor unit registered in Singapore. Telenor also invested in India through a joint venture with an Indian investor Unitech.

These companies are using investment protection to compensate for the loss that they suffered



due to the cancellation of their 2G spectrum licences by the Supreme Court, citing the arbitrary process of granting these licenses without an auction. This arbitrary process of issuance of 2G spectrum licenses resulted in an estimated loss of nearly US\$20 billion in revenue to the exchequer. Hence, the Supreme Court of India cancelled 122 such licenses granted by the Department of Telecommunications. Criminal prosecution procedure is underway against the people responsible for this fiasco.

One of the investment protection claims of the telecom companies - that the government has

to compensate for the loss suffered due to a judicial verdict - raises serious concerns about the implications of BITs on judicial independence and good governance.

Under the Indian Constitution, the verdict of the Supreme Court is treated as the law of the land and only the parliament has the power to bypass the verdict through legislation, which the parliament exercises only on rare occasions. The international arbitration process now over-rules the law of the land and is also used to legitimize corruption.

Another arbitration threat is coming from a hedge fund known



as The Children's Investment Fund (TCI) via the pricing policies of coal by Coal India, a public sector undertaking, where TCI holds a 1% share.

Coal India was asked by the Government to enter into long-term fuel supply contracts with power producers to ensure fuel supply. One of the policy measures to ensure the affordability of the coal was to delink the price of domestically produced coal from the international price (imported coal).

TCI alleges that such a move will result in the loss of revenue for Coal India to the tune of US\$20 billion and wanted to claim their share of the profits from this lost revenue.

Media reports quoted the partner of TCI saying it would seek legal action "if no clear commitments are made public in the immediate future to provide parity of coal prices to import prices and rectifying the other breaches of fiduciary duties which we have outlined".

The partner further stated: "It is a more efficient way to tackle the situation as the procedures in Indian courts are tedious and lengthy. We don't intend to give up and we have the resources and strength to pursue the issue".

Coal India was under tremendous pressure from the Government to ensure an uninterrupted supply of coal to power producers at an affordable price.

According to Firstpost, "Coal accounts for more than half of India's power generation and will be required for 85 percent of the 76,000 megawatts additional capacity targeted in the next five years. India sits on the world's fifth-largest coal reserves, and produces the most after China and the United States. But it also imported about 80 million tonnes of coal for power last year and that figure could rise to 400 million tonnes in 2030".

This move clearly shows how the investment treaty enables TCI, a minority shareholder with a 1% stake, to erect barriers to a public policy measure by the government to ensure energy security.

Recently, an arbitration tribunal awarded 8 million Australian Dollars against the Government of India in an action initiated by an Australian mining company, White Industries, under the India-Australia BIT that came into force in 1999.

The cause of action goes back to a commercial contract between White Industries and Coal India, a public sector company with the

mandate of coal mining, in relation to the development of a coalmine in 1989.

Under this contract, White Industries was to supply equipment and technical services. The contract contains a condition to provide a bonus to White Industries if the production is in excess of target, and the company is liable to pay a penalty if the production is lower than the target.

Coal India invoked the bank guarantee of White Industries on the ground of non-fulfillment of target. White Industries initiated an arbitration case against Coal India at the International Chamber of Commerce against the invocation of the bank guarantee in 2000. In 2002, the arbitration award went against Coal India. White Industries was awarded 4 million Australian Dollars.

Coal India approached the Calcutta High Court to set aside the award, which is permitted under the Indian Arbitration and Conciliation Act 1996. During the same time, White Industries approached the Delhi High Court to enforce the award.

In 2007, after non-conclusive litigation in multiple courts, the matter went up to the Supreme Court for the final hearing. However, before the final disposal of the case, White Industries initiated an investment dispute under the BIT between India and Australia.

The BIT tribunal held that the initial International Chamber of Commerce arbitration award comes within the scope of definition of an investment and also awarded compensation for denial of the effective means of asserting a claim. The arbitration tribunal cites the fact that the Supreme Court did not heed the plea to ex-

pedite the hearing and that White Industries is denied an effective means of asserting its claims.

Interestingly, the effective means of asserting a claim provision is imported from the India-Kuwait BIT through the most-favoured-nation treatment clause in the India-Australia BIT.

Options for India

According to news reports, these developments made the Government of India review its obligations under BITs as well as the investment chapters of FTAs. However, there is no clarity regarding the exact nature and scope of the suggested review. Experts suggest that there are a range of options before India viz. re-negotiation, termination, joint notes of interpretation, or unilateral declarations of interpretation.

They argue that India should

keep all options open to achieve the best outcomes to regain the policy space in the areas of public policy, regulation and development.

The government of India should stop any ongoing negotiations of investment treaties and should carry out a comprehensive review of India's investment treatment obligations vis a vis the required policy space for the areas of public policy, regulation and development. Three years ago the government of South Africa carried out such a review. Government then should look at the means to regain the policy space even if it require abrogation of treaties.

Theoretically it is possible to re-negotiate the substantial provisions of the investment treaties with a view to bring clarity in the nature of obligations in order to curtail the interpretational freedom

of arbitrators.

One expert who spoke to this author was of the view that the scope of the review should not be limited to the investor-to-state dispute settlement mechanism. According to this expert, the scope of the review should cover the substantial provisions of BITs and investment chapters of FTAs, including the definition of investment.

Another researcher points out that the objective of the review should be to bring legal clarity in substantial provisions. One set of experts was of the view that a review of individual BITs and FTAs is time-consuming and therefore may not achieve the desired result...

In this regard, they even suggest abrogation of BITs which contain asymmetric legal obligations on India. *(concluded)*

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A Tapasvi dies. Unnoticed

The purpose of republishing this edifying article by Sh. S. Gurumurthy, after almost a decade is to underline the enormity of the personality of Rastra Rishi Dattopant Thengdi, who contributed immensely to post Independence India in more than one way and yet remained away from superfluous publicity. The enormity of his personality was felt by the people who came into his close contact. We recognize it as a moral duty of every such person to share his/her knowledge of modern India's conventional saint to help the coming generations know about him as much as is possible.— Editor

He built the largest trade union in India, the Bharatiya Mazdoor Sangh. Formed in 1955 it overtook INTUC, the largest trade union, in just three decades. In 1989, strength of BMS was 31 lacs plus. That was more than the combined strength of CITU and AITUC, the monopolists of trade union movement. Today its membership is over 83 lacs, more than the collective of most other trade unions. Yes, he built the most powerful trade union. Yet, he was not a communist. He actually opposed the communists, stormed their citadel and captured it. Never a Socialist, but, he defeated them in their own territory. He waged an open war, an ideological war, against them, and defeated them in a straight war, not in guerrilla warfare. Also he never used his strength, never called for a bandh, the normal weapon of large trade unions, and never brought any city to stand still. His unions never indulged in violence. He never made his unions the wing of any political party.

Though a trade union leader, he was not an urbanite like most trade unionists. He also built the largest union of agriculturists in India, the Bharatiya Kisan Sangh. Still he was not a village versus town man, or agriculture versus indus-

try man. For him nationalism was the melting pot of all sectional views and interests. He never believed in the distinction between classes, between the rich and the poor, but, actually stood for collective national interests. Thus he carried nationalism to territories monopolised by class hatred and class war and rendered class idea almost irrelevant. When globalisation challenged India in early nineties and every one helplessly just opposed it or blindly welcomed it, he recalled the spirit of the freedom movement, the Swadeshi idea. He formed the Swadeshi Jagaran Manch [SJM] which articulated an alternative indigenous economic model, not just opposition to globalisation. It emerged as the bulwark against mindless globalisation and succeeded in creating a vision for India as a global power. His creations, the BMS, the Kisan Sangh, and the SJM, are known and powerful in thought and action, but he, the creator himself, is not known.

Who is he? Dattopant Thengadi, unknown to most, founded institutions known and powerful but himself not known. He passed away at 84, with energies that one



would see in a man of 48. He was of course a resounding success as a trade unionist. But this does not exhaust Thengadi. He was more. He was an astounding intellectual with remarkable grasp of history and economics, sociology and politics. Yet he rarely appeared in public or even rarely allowed himself to be photographed or interviewed by mass media. In his view nation builders do better things than stand before cameras. Yet he was in politics, in the Rajya Sabha for two terms. But that did not make any difference to his definition of himself. He was an activist, who did what was doable in ten lives in one. Yet massive activity did not interfere with his contemplative genius.

He found time amid chaotic activity to think, read and write. He authored innumerable books of originality and high intellectual content — some 50 books in all, 27 in Hindi, 12 in English and 10 in Marathi. He has presented innumerable papers on profound subjects in national and international conferences. He learnt five languages apart from Marathi and English. He founded, inspired, managed and advised over a hundred organisations! And found time for all activities, yet time to talk and chit chat with thousands of ordinary workers! He could discover the 25th hour in the day and the thirteenth month in the year.

What inspired him to such unbelievable mental, physical and intellectual activity beyond all known reserves of human energy? What drove him to attempt and accomplish the un-attempted impossible? The RSS. The much misunderstood and much maligned open air university that trains patriots of high commitment in this country even today. He became the full time pracharak of the RSS at the age of 22 and continued to work full time till he breathed his last. No office attracted him. He could have occupied any position in public life. But for people like him positions added nothing.

He was a dhrista, a seer. Decades before, he saw and theorised the collapse of communism as, he perceived, it went against human nature. It has happened. He has also theorised that capitalism too will collapse as that too is against human spirit and nature. This is waiting to happen. Even in philosophising the resistance to globalisation he foresaw national spirit as the greatest defence against global

forces. He unveiled the hidden element of globalisation as the competition between nations. Result, not just in India but, all over the world today the real resistance to globalisation comes from perceived national interest, that is, Swadeshi at individual national level.

Thengadi was understudy of Babasaheb Ambedkar. 'Gurumurthy, I do not agree with what Arun Shourie's conclusions on Babasaheb Ambedkar', he once told me. I pointed out to him that Arun's book was fully completely documented. He asked me 'do you mean to say that the lives of people who had had to face the greatest of challenges can be captured in records and documents?' He added that the complex times and the challenges that 'Baba' — this is how he called Babasaheb Ambedkar — faced could not be read from records. 'In fact most of the recordings cosmetise the real facts, more bluntly, they conceal, not bring out, the truth. So records cannot present the challenging life of Babasaheb Ambedkar'. Tenga-di could talk with authority about Babasaheb Ambedkar because he was full time with Ambedkar in the last four years of Babasaheb's life.

What Thengadi told me further was stunning. He said 'I was eye witness to Babasaheb's tensions and problems'. He recalled 'Babasaheb wanted the Hindu sants and religious heads to declare openly that untouchability did not have the sanction of Hindu religious scripts'. RSS efforts in this direction were not bearing fruit. But Babasaheb told Thengadi that time was running out. His health was deteriorating fast in 1954. Baba Saheb told Thengadi that 'I have faith in the process of the RSS

in removing untouchability. But that is too slow. I cannot wait because I will not live to see the end of the problem'. Thengadi also recalled what made Babasaheb embrace Buddhism, in Babasaheb's own words thus: 'if I did not show the way for this helpless community they would be hunted down by Christian church and the communists'. What Babasaheb wanted the Hindu religious leaders to do in 1954, RSS could persuade them to do only a decade later, in 1965, in a conference of Hindu religious leaders in Udipi organised by the Vishwa Hindu Parishad. This made many, me included, insist that Thengadi wrote on his days with Babasaheb. A couple of months before Thengadi died he did this too, and his book on Babasaheb Ambedkar was also released.

He owned nothing, not a house or a car, no cell phone or else. He lived in a small room in Delhi provided by the BMS and in other's houses elsewhere. His needs, a few kurtas and dhotis, were accommodated in a suit case. He travelled in over night buses and mostly second class in trains. Never thought of marriage as his time was exhausted by the cause he had taken up in life. A rishi, a tapasvi, he was. Like most tapasvis, he is also little known. National newspapers which waste thousands of tons of newsprint on what retired or topless cine stars do in the morning and evening never even reported on this great man's work, much less on his greatness. Having seen him closely and known him intimately and learnt from him immensely, the only thing I could do is to let a few others know that a tapasvi died on October 14, 2004 unnoticed by the media. □□

Reducing corruption using technology



Government should add project benefits like reduced amount of bribes paid by citizens to Government employees and the reduction in leakage in disbursal of welfare etc funds from Government over long period of time and compensate IT companies a part of it. This will go a long way in making computerization of Government/ people interface much faster/ smoother and corruption free, believes **Prof. R Vaidyanathan**

The index of middle class misery can be measured by adding the tax rate, the inflation rate, and the corruption rate. The last one is not discussed in open forums by experts since they are worried about the next round they need to face. The major source of irritation and corruption faced by the middle class is its interface with Government services.

There are two types of issues in this.

One is the information sharing by Government agencies about do's and don'ts and other is the service to be obtained.

The first is a major method by which corruption is sustained by the Government minions. For instance in any major city try to get a map of the city from the concerned Government agency about areas where construction is permitted - commercial/ residential and areas which are part of green zone — and you will be unsuccessful. The power of officials come from non-clarity in regulations.

The second part is about bribing to get the services. Since information is scarce one needs to bribe to get the appropriate

service without violating Government procedures.

For instance, anyone who has travelled in trains in the past will recollect the ubiquitous ticket examiner who was the ultimate arbiter to provide seats or berths - at a price. I was told by a retired railway official that in those days recommendations to appoint a particular person as ticket examiner at major stations used to sometimes come from cabinet ministers in Delhi because it was a 'lucrative' position. But after the computerization of rail bookings, the role of railway minions has become minimal since even wait-listed tickets are upgraded through the system.

The Bangalore Municipal

***We need to look at
technology
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particularly
computerization of
many activities
especially at state level
in order to make it
impersonal.***



Corporation has provided facilities to people to pay their house taxes using the internet.

You fill in the details of the area of the plot, built-in area, type of construction, etc, and the system shows the tax to be paid. You can pay through your credit card. Earlier, in order to pay the house tax, one needed to bribe officials.

India is one of the few countries where you pay bribes to pay your taxes to the government.

Retail corruption can be minimized by using technology. In other words; relationship-based transactions are becoming rule-based. That is the role of technology. It makes individuals impersonal or simply a statistics - so that your position or power does not play any role in the transaction to be undertaken with the state. The name or position of the person does not matter as long as he has done his role in fulfilling the requirements of the "rule" based system. The same can be attempted for caste certificates or land records. Or disbursements of gratis like old age pension or girl child benefits. Of course, rule-based technology has its limitations in dealing with wholesale corruption, as in defense contracts.

India is one of the few countries where you pay bribes to pay your taxes to the government.



It is interesting that the IT biggies were not the ones who undertook the task of computerizing railway reservations.

It was done by CMC, which was then a public sector company. The IT biggies were looking at lucrative US and European markets. But the recession in the west altered the picture. Today we find Infosys involved with computerization of many aspects of income tax, and TCS with passport offices and Wipro with the Employees State Insurance Corporation. Hence technology can be a great enabler in minimizing what we can call "middle class interface" corruption. It will facilitate transparency and more importantly reduce the friction in Governance.

This implies that we need to look at technology alternatives - particularly computerization of many activities especially at state level in order to make it impersonal. The more impersonal it is made, the better for the middle class since formless government is prone to less corruption than one with a human form. The IT

companies when they bid for projects in these areas can include the reduction in corruption as one of the major benefits of the projects. It can be monetized on two counts. One is the reduced amount of bribes paid by citizens to Government employees and the second is the reduction in leakage in disbursement of welfare etc funds from Government. Both of these can be and we feel should be monetized and counted in the benefits from the project of computerization. The Government should add it to project benefits over long period of time and compensate IT companies a part of it. This will go a long way in making computerization of Government/ people interface much faster/ smoother. Of course questions will arise about other forms of corruption in giving massive Government contracts/ defense deals etc. For that we need a transparent regulatory framework and a speedy justice system to punish the crooks. □□

(The author is Professor at Indian Institute of Management Bangalore. Views are personal)

Government Data confirms Inefficient handling of economy

— Swadeshi Samvad

Finance Ministry continues to be in a denial mode .

Officials deriving comfort from the fact that India was still growing much faster than several Eurozone countries

Economic growth of the country has plunged to its lowest in nine years during the January-March quarter, deepening the gloom and pessimism. This combined with sliding Rpee confirms once again what many analysts, economists and industrialists characterise as the inept handling of the economy by the Manmohan Singh-led government.

The government, which has often appeared to be in denial, blaming troubles in Europe for the economy's predicament, appeared to hit the panic button, asking all Ministries to cut non-plan expenditure by 10% and banning creation of new posts.

Gross domestic product, or GDP, rose 5.3% in the three months to March from a year ago, down sharply from 6.1% in the previous quarter, the Central Statistical Office said in a statement. Core sector data released showed the new fiscal year had begun on a weak note, with output of the eight key infrastructure industries, which have a 38% weight in the gauge of industrial growth, rising only 2.2% in April.

Expenditure estimates showed private consumption growth had dropped marginally to 6.1% in the last quarter of 2011-12 from 6.4% in the previous quar-

ter, though a 3.6% rise in investments during the January-March quarter after a 0.3% contraction in the previous quarter provided some hope. Exports rose only 3.2% in April.

Growth Pulled Down Largely by Manufacturing

Major damages came in from industry growth which has been decelerating since the last few months. Agriculture also did not provide any major support to overall numbers. However, services grew at slower pace but provided a sigh of relief to the economic growth. For the financial year 2012, GDP grew at 6.5 percent against 8.5 percent last fiscal.

Looking at the previous quarter and year-ago numbers, GDP growth is far below the previous quarter numbers (6.1 percent) as well as year-ago numbers (7.8 percent). The numbers announced are the lowest in the last 36 quarters. The numbers are terrible with negative surprises and the seriousness of which can be understood by the fact that in Q4FY12, the economy has recorded a growth of 5.3 percent compared to 5.6 percent in Q3FY09, the period when the global economy was going through a steep turmoil/crisis.

Agriculture growth at 1.7 per-

cent continued to moderate in the fourth quarter.

Industry

Overall industrial growth at 1.9 percent is again one of the slowest in its history. Within the sector, the manufacturing sector contracted 0.3 percent in the fourth quarter against a growth of 7.6 percent in the year-ago period.

Weak industrial production numbers released on a monthly basis already indicated the feeble industrial growth in the January-March quarter. Additionally, sluggish domestic demand and uncertain global environment contributed to the crack in industrial growth.

Construction activities also slowed down to 4.8 percent against 8.9 percent a year ago. 'Electricity, gas & water supply' did not provide any respite and growth for this sub-sector came in at 4.9 percent against 9 percent in the previous quarter and 5.1 percent in the year-ago period.

The only silver lining has been the robust show by the mining and quarrying sub-sector, which clocked a growth of 4.3 percent after contracting in last three quarters, but was useless due to a minimal contribution in overall GDP growth.

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An approach to 'Integrated Development'

- ❑ We are the first generation with the insight of the new global risks facing humanity.
- ❑ We face the evidence that our progress as the dominant species has come at a very high price.
- ❑ Unsustainable patterns of production, consumption, and population growth are challenging the resilience of the planet to support human activity.

New approach is required that understands the life principle as the base and foundation for the existence and survival of universe and believes in the cyclical nature of operations of the functioning of the universe and non perishable character of life principle/s, pleads Anil Javalekar

Economic growth and economic development are not only most discussed concepts in the academia but also made out as objective for all the policies framed and implemented by all the modern nations. The policies and strategies were expected to bring all round prosperity and help eradicate poverty and unemployment. However, this has not happened. Most modern nations remained backward and their most Poor remained poor and most unemployed remained unemployed. The unequal distribution of wealth remained an issue to be resolved. This has raised doubt about policies and strategies but the concepts of economic growth and development were not disputed. Here is an urgent need to revisit the concepts of economic growth and development as blaming only the policies and strategies for failure will not suffice.

Industrialization and economic growth

i. The concepts of economic growth and development were brought by western world and mainly during the period of industrialization. More than the definitions of these concepts, it



is important to know the forces behind these concepts and their purpose. Many times the definitions are misleading. The actual meaning is hidden in the basic goals. These goals are mostly limited to industrialization. The industrialization means amassing of wealth by few by way of accumulation of properties, defined in terms of high level of consumption and lavish lifestyles, and, maximization of profits, the great medium for achieving the same.

ii. The historical perspective of economic development shows

that the settlement and agriculture changed many things in human societies. The first and important change was the claim over the land and the crops. The selfishness entered when the claims were turned in to property rights. The entry of state to control and appropriate this right was then the natural development. The entry of 'trade' to bring the required distributive justice was historic. The growing needs of society with the right to property and growing selfishness as well as expanding trade opened the era of profitability.

Initially the objective was to meet the growing needs of society but within a short span the objective was changed to create needs to meet the growing production and growing trade.

- iii. **The state and its power initially were to protect the interests of all equally.** But slowly the property owners made the state subservient. **This is how the history of legality can be described.** The state leaders and property owners controlled the production and trade and also the accumulated capital.
- iv. Increase in production, trade and profits became the tools and objectives of the controllers of society. Initially the objective was to meet the growing needs of society but within a short span the objective was changed to create needs to meet the growing production and growing trade. This was wealth creation. The system of increasing production, trade and profits was industrialization. Moving towards industrialization was progress. This was the objective of economic growth. Just to glorify it, some added welfare element and called it 'development'.

Evil of Industrialization

- i. The 3rd Nobel Laureate Symposium held in May 2011 in Sewden and its Stockholm Memorandum: Tipping the Scales towards Sustainability, observed that 'the Earth system is complex. There are many aspects that we do not yet understand. However, we are the first generation with the insight of the new global risks facing

humanity. We face the evidence that our progress as the dominant species has come at a very high price. Unsustainable patterns of production, consumption, and population growth are challenging the resilience of the planet to support human activity. At the same times, inequalities between and within societies remain high, leaving behind billions with unmet basic human needs and disproportionate vulnerability to global environmental change.'

- ii. Today's so-called industrialization has no limits on consumption and aim at high and high living standard for few. The strategies and policies for this industrialization give wage employment for few but unemployment to many. The ever demanding urbanisation, maximization of profits and accumulation of properties for few, ever expanding and powerful government but failing administration and justice system etc are the results of the present policies adopted to make nations industrialize.

The essence of present models of industrialization or economic growth

- i. The models of industrialization cum economic growth were basically dependent on movement of capital and expansion of trade, and, agencies for implementation were either the state and or the market. All

these- capital, trade, government and markets- are led by technological innovations and its application to production and distribution systems.

- ii. Whether it is the state or the markets, the basic concepts of economic growth and development remained same-industrialization. Industrialization was meant not to meet the needs of growing society but to meet the needs of growing production and growing trade. The profit was important influencing factor on capital movement and expanding trade as well as the technological development. The state was important mainly for implementing strategies and policies for industrialization.
- iii. As rich countries controlled the technological innovations as well as the movement of capital and the expansion of trade, the strategies beneficial to them were always propagated. They wanted governments to facilitate the market system beneficial to them. The free capital movements and free trade was considered the main criteria for market system to succeed and state was asked to allow the same by its policies.
- iv. Thus the models prescribed by rich countries, mainly western countries, were not for the economic development of poor countries as such but creating opportunities for their capital and trade mainly for their profits. This was how the industrialization was propagated. The strategies and policies were expected to be copied from western world and, if not, the capital and trade was not allowed

to those countries.

- iii The models and strategies moved from markets to state and state to markets but the objectives of industrialization or such economic growth and development remained. The need is to stop looking towards industrialization that also prescribed and recommended by western world to get the solution for all our problems.
- iv The approach to development thus needs to move from this industrialization towards a system where the production and trade remain within the range of human needs and renewable resources as well as human needs remain within the range of the production and trade and the renewable resources. The entire development of technologies should help to have such a system. The state and the markets should wither away in the process.
- v This is possible only when the influence of profits and accumulation of properties on capital, trade and technology gets restricted because these, ultimately, affect the production and distribution systems. More we take this approach more we move towards integrated development. This is precisely put forth by Bhartiya Vichar Darshan. Deendayalji's 'Integral humanism' was the first step towards consolidating this approach towards integrated development.

New Approach towards Integrated Development

- i New approach must understand the life principle which is the base and foundation for the existence and survival of uni-



verse and human and other life forms. The approach should believe in the cyclical nature of operations of the functioning of the universe and non perishable character of life principle/s. This life principle is called and described in various ways. The important thing is that the system devised or developed should necessarily accept the life principle/s as base of alternate model of socio-economic progress. Indian philosophy believes in Param tatv as the base and foundation of life.

- ii Second, the new approach should focus on interdependency characteristics of all participants in the system of universe. The dependency level prescribes the system of cooperation and complementary goals for individualistic and collective progress. Thus everything is an important part of the system and not at any point of time become redundant and wasteful. The progress is of all for all and by all. Any socio economic development model adopted thus should ensure this principle.
- iii Third and most important as-

pect of new approach should be that the aim of human is to be happy and make others happy by all means. This principle is called as achieving purnatva in life. The prescribed system under this principle is that any system adopted should help individual and society to reach to the just, balanced and happy life.

- iv With these three bases in mind, the new approach should propose a new alternate model for socio-economic integrated development, making every participant, whether it is human, animal kingdom, plants, environment etc or the entire life system and takes them to the justifiable progressive life of perfection.

New Model of Integrated Development

- i The new development model should basically go along with the nature and protect the environment so as to keep it intact. The policy suggested should reject all those systems and practices which are damaging the basic environment and causing the extinction of

- many life forms.
- ii The new model should propose a system of balanced all round integrated development of all participants but makes no one redundant.
 - iii All the economic policies under this model should prescribe for:
 - 1. limiting the growth or consumption within the available natural and renewable resources and discarding the infinite idea of high living standards for few and trickled down living standards for majority;
 - 2. a lifelong self employment to each one through environment friendly and complementary production and distribution systems based on self sufficient locality; (Many times, this is called 'village sufficiency model of development')
 - 3. restricting profit and prop-

erty rights to the level sufficient enough for progressive development but not accumulative to reach the exploitative levels;

- 4. a government which will be a facilitator and a leader and rule to protect the justice. Its administration should not become a power in itself but run the system under the guidance of able and knowledgeable institutions;
- 5. a strong Nation and its strong policies in regard to international capital and trade etc till the nationalism die down its natural death in the world.

Conclusion

The need for a new approach to integrated development is relevant in the sense that the present policies have brought the society to non returnable path of destruction, and trying out a new alter-

nate for sustainability is a must. The new approach and policies in fragmented pieces are being proposed from various quarters targeting isolated solution to specific problems whether it is environment related or relating to distributive justice of economic gains or even the problems of market and production or international trade. But these isolated approaches are unable to give a comprehensive system and model. The new approach for integrated development should be prepared in a consolidated manner giving a comprehensive model covering all the aspects of development and its problems. Bhartiya Vichar Darshan is the right guide and the integral humanism is the possible approach. It is the approach to an integrated development that is important and no integrated approach to development will solve the problems of disastrous industrialization. □□

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Government Data confirms Inefficient ...

Services

The services sector, which is the key component in the GDP data, grew 7.9 percent compared to 10.6 percent in the year-ago period. It reflects the deceleration seen in the economy and a disappointing services sector number indicates that growth hasn't bottomed out as yet.

Investment and Expenditure

Fixed investment growth at 3.6 percent saw some revival after faltering in the third quarter of FY12 when it contracted by 0.3 percent. Government consump-

tion expenditure growth further moderated at 4.1 percent in 4QFY12, while on the external front, exports growth revived to 18 percent after falling sharply at 6.1 percent in Q3FY12.

However, imports growth fell by 2 percent after recording an average growth of 24.4 percent in the last three quarters.

Outlook

GDP growth at the lowest level in the last 9 years with high inflation is likely to worsen the situation. Immediate and firm steps to support growth are very

much required.

Despite the sharp moderation in economic growth, the finance ministry seems to be in a denial mode with officials deriving comfort from the fact that India was still growing at a much faster clip than several Eurozone countries, which are battling an acute debt crisis.

Finance minister Pranab Mukherjee's statement too seemed to suggest that the worst is over in terms of the tight monetary policy, weak global sentiments, poor investment sentiment hit by an adverse environment policy and mining hurdles. "Most of these factors have bottomed out," he said in a statement prepared by his team of advisors. □□



Himachal Pradesh State Women's Conference

State Women convention of Swadeshi Jagaran Manch of Himachal Pradesh state unit was organised in Bhootnath Temple complex in Mandi on 14th and 15th April 2012. The convention was part of the national effort to expand Swadeshi Network among women population of the country. More than 300 women delegates from all over Himachal Pradesh including its far flung areas participated in the convention.

Well Known social activist and chairperson of Himachal Pradesh state women's commission Smt. Leela Tandon presided over the inaugural session of the conference. Smt. Renu Puranik, the Akhil Bhartiya Mahila Pramukh of Swadeshi Jagaran Manch was the chief guest and main speaker.

Smt. Dinesh Guleria, Prant Mahila Pramukh of Himachal Pradesh introduced the guests. She also presented the key note address explaining the rationale behind organising women convention.

Smt. Renu Puranik spoke about the cross roads nation has reached at present. Seed Bill, FDI

in retail and similar other legislations and policy decisions are being forced upon the people of India, she added. All this has endangered the employment of lakhs of families besides risking the sovereignty of farmers, she added. Smt. Renu Puranik appealed to the women of country to come forwards and accept the challenge of times and play the crucial role in protecting India. She asked them to adopt Swadeshi in daily life.

Expressing her pain and anguish over the state of affairs in the society Smt. Lella Tandon supported the appeal to boycott foreign goods and instead use swadeshi products. She was also critical of commodifying women as a product and using them in brazen manner to earn profits. This degradation is shameful, she warned. She, in particular condemned publishing of sexually provocative and sensational material in media.

Praising Swadeshi Jagaran Manch for organizing state women convention, she said these conventions are very useful in spread-

ing the awareness on crucial issues.

Himachal Pradesh Social Justice and Empowerment Minister Smt. Sarveen Choudhary was the main speaker in the concluding session of the two day convention. She stressed the need for 33% reservation for women in the state legislature. Smt. Sarveen Choudhary asked women to play the important role that is expected from them. Terming India as the only country where both mother and motherland are respected and worshiped equally she emphasized the need to impart necessary lessons of Swadeshi in the family. The women as a mother is most suited to perform this job, she opined.

Family as the basic unit of society is very essential unit and it needs to be protected from alien influence she added.

National executive member of Swadeshi Jagaran Manch Sh. Pushkar Puranik, Smt. Sarita Thakur of state committee member of Baba Ramdev Sanstha, Smt. Asha Thakur and Mahila Pramukh Smt. Bimla Thakur also expressed their views. □□

Rupee plunge - India needs to chart independent course; cut reliance on the West



It is the weakness of Indian political system that always succumbed to the arm twisting moves of Eurozone and US and allowed its currency to be muzzled by it right from the first devaluation in mid-sixties, says Shivaji Sarkar

Tiny Greece sneezes and Indian economy tumbles. The rupee goes haywire increasing crude purchase value despite global fall in oil prices. This is the price of integrating with the world India is paying, something many wise men had warned in 1991.

Indian economy is paying the price of over bureaucratisation of the system and failure of the political class to tame the wild bureaucracy. The political class has allowed itself to be blindly guided by the bureaucracy in key decision making provisions.

It has affected functioning in

all aspects of administration and economic management. Galloping prices, falling industrial production, vanishing bank deposits, eroding foreign exchange have added to the crisis that could have been avoided if the government wanted to do so.

Commodity prices have increased by over 30 per cent in about two years, millions of tonnes of food grains are rotting in warehouses helping further increase in food prices. Taxes are being increased in the most exploitative manner and rules on retrospective taxes are throwing

the business out of gear. There are many other idiosyncrasies that are robbing the Indian economy of its flexibility and freedom to function.

If today rupee is plunging, it is not so much because of Euro factors. Yes, India needs to reconsider relations with European Union. It is a shaky system, Euro virtually lacking sovereign guarantee is overpriced and Eurozone countries do not know how to manage their economies. Entire Eurozone is thriving on high unaffordable debt. In the process they try to gain strength from the economies of developing countries by manipulating prices of their currencies.

Europe treats the rest of the world as its colony and continues to sustain itself at their cost. The Greek crisis and its impending exit from the Eurozone should be Europe's own affair. But intelligently they have projected it as a global crisis. It helps them gain strength as on speculation alone many currency value plummets. It makes redeeming their debt bonds difficult or expensive, which help the exploit-



ative and not so honest economies of EU.

It is the weakness of Indian political system that it has always succumbed to the arm twisting moves of Eurozone and US and allowed its currency to be muzzled by it right from the first devaluation in mid-sixties. As dollar and Euro are losing their value in own areas, these currencies should have become cheaper in India as well.

It is an irony that as Euro and dollar crush, it sends rupee into a tailspin. The weakness of the internal system is responsible for it. India should have led the world in disintegrating from the dollar and Euro-based currencies. India needs to raise its voice against the marauding effect linking basket of currencies to dollar.

But India succumbs to the pressures. Else it should not have even partially suspended oil imports from Iran, which has stood by it even in difficult times. US secretary of state Hillary Clinton has problems with Iran because it remains an island in the region that has withstood irrational US pressures. Clinton has problems because US giants are not allowed to trade in Iran oil. They fear and independent Iran might break the strength of the oil cartel and send their profits downhill.

India should have strongly rejected the US pressures for its own energy security apart Iran is even prepared for a rupee-based trade. It is not India's interest to buy oil only from in dollar terms. The US fears that if rupee-based trade increases it would have problem the world over. The rupee, in its view, has the credibility, unlike the Chinese

As dollar and Euro are losing their value in own areas, these currencies should have become cheaper in India as well.

yuan, to attract global traders.

As the Soviet Union collapsed, Indian economy was least hit because trading with the bloc was in rupee. The US sees that as a potential threat to its global economic power. India instead of succumbing to such machinations should increase the area of rupee-based trade to reduce not only its own dependence but also of other developing economies on dollar.

As long as rupee remains wedded to dollars, the forex crisis would continue to grip it. Chief Economic Advisor Kaushik Basu says that the government could not do much to strengthen the rupee. He is referring to the capacity of Reserve Bank interventions. India would not need those dollar, pound and Euro to hedge its forex requirements to pay for imports – mainly oil.

True, it cannot happen overnight. Nobody, however, is even seeing the possibility of a long term strategy in this area.

Indian economy has its internal weaknesses – high prices, fiscal deficit, low purchasing power and many others. But if it continues to be under external pressure that manipulates its economy, it would not be easy to have an independent foreign trade and foreign exchange policy.

Corrective measures would be difficult without a tough and independent approach to deny the undue advantages to the western currencies.

There may be many prob-

lems but nobody can prevent the sovereign Indian nation to chart an independent course for itself. If it does so in five years, it would be not only a thriving economy but also leading the world for charting a new order.

Greece is too tiny to hit India. But if India does not chart a new course it might be engulfed by the problems of not only western Europe but also the Eastern European countries.

East European countries, including Russia, Ukraine and Latvia are also in the throes of one of the worst crisis having taken huge debt from West Europe. Stephen Jen, currency chief at Morgan Stanley, said Eastern Europe has borrowed \$1.7 trillion abroad, much on short-term maturities. It must repay – or roll over – \$400bn this year, equal to a third of the region's GDP.

Almost all East bloc debts are owed to West Europe, especially Austrian, Swedish, Greek, Italian, and Belgian banks. Europeans account for an astonishing 74percent of the entire \$4.9 trillion portfolio of loans to emerging markets.

Indian debt as of now is more internal. A prudent policy shift can not only shield itself from the Euro crisis but also can open up new avenues of growth. It is possible. It only requires a vision and strong political will to obtain it. It would bring rupee back to the level of Rs 40 to a dollar in short period. □□

Needed: Fundamental reform of the global economy



We need to dismantle the present world economic order and remake one that is more just and balanced and bear the costs of disruption in the process, pleads **Dr Bharat Jhunjunwala**

The global economy is passing through a delicate phase. Europe is beset with crisis. The US is heading into an election with neither candidate having a roadmap for reducing the debt that has led to downgrading of that country's rating. This provides an opportunity to the developing countries to push for a fundamental reform of the global economy which sustains grave inequality between the developed- and developing countries. Instead, Prime Minister Manmohan Singh left no stone unturned to maintain present inequities.

A summit of the BRICS countries—Brazil, Russia, India, China and South Africa was held recently. At the Summit Prime Minister Manmohan Singh said, "As members of the G-20, we must together ensure that appropriate solutions are found to help Europe help itself and to ensure policy coordination that can revive global growth." He added: "We must avoid political disruptions that create volatilities in global energy markets and affect trade flows." Manmohan Singh does not want to drastically upset the present world order. This is like saying that we should establish policy coordination between a landlord and the bonded labour such that both prosper; and we should not disrupt



their relationship such that price of vegetables in the market rises. That means that the bonded labour should not be liberated. The hard fact is that 25 percent of the people of the developed countries are consuming 75 percent of the world's natural resources. The need is to actively disrupt this uneven distribution. The bent stick needs bending the other side to make it straight. Similarly, we need to dismantle the present world economic order and remake one that is more just and balanced and bear the costs of disruption in the process.

Manmohan Singh has also pleaded to "breathe life into the Doha Round." The developed

countries want greater access to the markets of the developing countries in this Round. However, they are not even willing to discuss, let alone cede, the demand of the developing countries to loosen the patents laws and allow greater movement of natural persons. The need is to jettison the Doha Round and restart another round focused on these two crucial issues.

Manmohan Singh continues to be enamoured with foreign capital. He said: in order to "revive global demand and growth, developing countries need access to capital, particularly for infrastructure development... BRICS have a strong interest in remov-

ing barriers to trade and investment flows and avoiding protectionist measures.” Problem is that the developing countries have now become net exporters of capital. As a group we are sending out more money as outward FDI and for building our forex reserves than we are receiving as FDI. The developed countries are today dependent upon loans provided by developing countries like China. The US continues to borrow heavy amounts to bridge its trade deficit. Therefore, Manmohan Singh must try to stem the outflow of capital from the country if he sees a shortage of capital. Fact is that absence of investment in infrastructure in the country stems from bureaucratic hurdles and political corruption. To seek more foreign investment without solving these issues means that he wants to provide more money to the corrupt.

It must be admitted that some positive statements were made as well. It was decided that Banks of the five countries will now directly buy and sell currencies of the other members of the Bloc. Presently financial transactions between these countries are made through New York or London. This entails currency conversion two times. Also, the paying and receiving countries—both have to maintain an account in a bank in New York to be able to undertake these transactions. This will no longer be necessary as the Central Bank of Brazil will directly receive rupees and exchange them for Brazilian Real. This small change can be of momentous significance. The dollar’s role as the global reserve currency arises substantially from the fact that most

international transactions are routed through this currency. This role of the dollar will recede and, in same proportion, the chance of the Yuan or the Rupee becoming the global reserve currency will increase. In a decade from now we may find that most transactions between the developing countries are made directly through such systems.

Another important decision taken at the Summit was that establishment of a development Bank along the lines of the World Bank will be explored. The World Bank has a fundamental anomaly. Majority shares of the World Bank are held by the developed countries while lending is almost wholly done to the developing countries. Tendency of the World Bank is to protect the interests of its shareholders rather than of the borrowing countries. A shop keeper sells goods to make profits for his owner. He sells those goods which give a good margin even if the quality is inferior. He says he is providing cheap and good quality goods to the customer but actually he is looking for highest margins. Similar conflicts of interest are routinely faced in development banking. For example, a highway could be made by a domestic company or a MNC. The quality of the highway could possibly be a bit lower and time taken a bit more but the long term gains from development of domestic highway-building capacity will be much beneficial. On the other hand, making the highway by a MNC will provide immediate benefits. In such a situation the Bank has to decide what policy to take. It would seem that the World Bank would favour the

MNC approach because its shareholders belong to the developed countries. The stated objective of the World Bank is to remove poverty but the actual functioning is to protect interests of its shareholders. The World Bank is much interested in promoting globalization that allows entry to the Western Multinational Companies, for example.

No wonder the developed countries are irritated with the BRICS seeking to establish their own development bank. President Zoellick of the World Bank commented: “It is a complicated venture which will have a hard time getting off the ground and match the expertise of the World Bank.” That may be, but the likes of Zoellick are forgetting that expatriates from BRICS countries form a sizable number of employees of the World Bank and their expertise could be easily made available to the new venture. The point is that the Western countries are irritated with this proposal because it undermines their influence and lays the groundwork for the developing countries leading their own path unfettered by the guidance of the World Bank.

The global economy is at the crossroads. The developing countries must seize the initiative and put fundamental reform on the agenda. Manmohan Singh must reconsider his position on supporting Europe and not upsetting the present world order, pushing the Doha Round and attracting FDI. Times have changed and so must the Prime Minister. He must understand that India is today an independent country and there is no need to follow the directives given by the developed countries. □□

US pressure at work? India's oil imports from Iran plunge 34% in April

India's crude oil imports from Iran declined by about 34 percent in April compared with March, deeper than expected and the first evidence of New Delhi implementing cuts in supplies from the sanctions-hit nation under annual deals that began last month.

State-run buyers are at the forefront of reductions, leaving privately-owned Essar the biggest Indian client of Iran, tanker discharge data showed, just as the US praised steps taken by India's refiners to back Washington's pressure on Tehran.

The US has already granted waivers to the sanctions for Japan and 10 European countries but has left out China and India, Iran's biggest clients. US secretary of state Hillary Clinton says India needed to do more and said a decision on granting a waiver was around two months away.

India's total oil imports from Iran in April fell to about 269,000 barrels per day (bpd) from 409,000 bpd in March and from about 449,000 bpd in April 2011, the data made available to Reuters showed on Tuesday. □

Punish guilty for approving Letrozole

Officials in Central Drugs Standard Control Organization (CDSCO) seem to have "colluded with private interests" to get the controversial drug Letrozole approved in India "in a clear violation of laws" for use against infertility.

Now, the parliamentary standing committee on health and family welfare has asked the Union health ministry to take action against those who were involved. Though globally the drug is used for treatment of breast cancer, in India it was being administered to young infertile women to help them conceive. The drug's side-effects are believed to have led to severe genetic abnormalities among babies born to infertile women.

The standing committee in a scathing report submitted said, "It is a gross violation of laws by the CDSCO. First, in approving the drug for use in case of female infertility. And, thereafter in exhibiting overt resistance in taking timely corrective steps favouring suspension of use of the drug for infertility."

The panel, headed by Brajesh Pathak, says Letrozole, discovered by Novartis, is an anti-cancer drug for use only in postmenopausal women and is contraindicated (not permitted) to be used in women of reproductive age.

India pushes small scale business cooperation in South Africa

The National Small Industries Corporation of India (NSIC) is making headway in cooperating with South African small business since an office was opened here in 1996, according to R K Mathur, Secretary of the Ministry of Micro, Small and Medium Enterprises.

Mathur joined H P Kumar, Chairman and Managing Director of NSIC, at a seminar in Johannesburg where 16 companies from India also held exhibitions for the 200 delegates from across the country.

"There is a lot of commonality between the two countries in terms of how the development of the small industries sector should come about," Mathur said. "Both countries do realise that these sectors are important from the point of view of employment generation, and also for providing a really solid base to the economy," he added.

"Through the recent growth in political relationships and greater attention through the IBSA and BRICS initiatives, we have been finding that NSIC relevance has grown in South Africa," he said. The NSIC seminar was the latest in a series of sectoral workshops organised by the High Commission to promote business to business links between the two countries.

China begins drilling in South China Sea

China's first deep-water drilling rig has started operation in the South China Sea, marking "a substantial step" by the country's oil industry, a newspaper reported. The sixth-generation semi-submersible CNOOC981 began drilling in a sea area 320 km southeast of Hong Kong at a water depth of 1,500 meters, China Daily quoted the China National Offshore Oil Corp as saying.

India's forex reserves drop by \$1.80 billion

India's foreign exchange reserves fell by \$1.80 billion to \$290 billion for the week ended May 18, registering a sharp drop for the third week in a row, largely due to suspected sale of dollar by the central bank to defend rupee, the Reserve Bank of India data showed.

India, Myanmar should work out strategy to tackle terror: PM

Prime Minister Manmohan Singh held talks with Myanmar President Thein Sein as India suggested the two countries work out a joint strategy to tackle terrorism and insurgency along their border and enhance security cooperation.

Dr. Singh, the first Indian Prime Minister to visit Myanmar in 25 years since 1987, held restricted talks with Mr. Sein before the two leaders led their respective delegations for discussions on a range of bilateral, regional and international issues.

Earlier, Dr. Singh, who is accompanied by External Affairs Minister S. M. Krishna and senior officials, was given a ceremonial on the lawns of the Presidential Palace.

Ahead of the Prime Minister's talks with President Sein, Mr. Krishna said both India and Myanmar are facing terrorism and insurgency and hence "it is necessary that both of us work out a joint strategy as to how to meet with these terror elements".

Mr. Krishna stressed on economic ties with Myanmar saying "this too is equally important. Myanmar is a developing country like India. They have come out of some problems internally and now they seem to be settling down and it is about time for them to devote time and to launch a developmental agenda, I think people of Myanmar need India's assistance & India would be willing to assist them". □

The forex reserves had declined by \$1.37 billion and \$2.18 billion respectively in the previous two weeks. Foreign currency assets, the biggest component of the forex reserves kitty, fell by \$1.74 billion to \$256.11 billion during the week ended May 18, according to the Reserve Bank of India's weekly statistical supplement.

The RBI did not provide any reasons for the change in foreign currency assets. It said the assets expressed in US dollar terms included the effect of appreciation or depreciation of non-US currencies such as the pound sterling, euro and yen held in reserve. However, the RBI is understood to have sold dollars from the reserves to curb the slide in the value of rupee. The Indian rupee slumped to a record low of 56.40 against a dollar this week. The rupee witnessed loss for the eighth consecutive week, the long-est losing streak since 2008 economic crisis.

The value of special drawing rights (SDRs) fell by \$35.5 million to \$4.39 billion, and India's reserves with the International Monetary Fund (IMF) fell by \$23.6 million to \$2.86 billion. The value of gold reserves remained unchanged at \$26.61 billion.

Andhra HC spikes UPA's minority sub-quota

Andhra Pradesh High Court called Congress-led UPA Government's bluff on the "casual" policy terming 4.5% reservation for minorities based on religious grounds having no justification. The HC bench of Chief Justice Madan B Lokur and Justice Sanjay Kumar struck down the office memorandum (OM) and resolution adopted by Cabinet in this regard on

December 22, 2011 terming it as being unconstitutional.

In a stinging criticism of the Centre's lack of preparedness in designing this welfare scheme, the bench said the very use of the words "belonging to minorities" or "for minorities" indicates that the sub-quota has been carved out only on religious lines and not on any other intelligible basis.

"We must express our anguish at the rather casual manner in which the entire issue has been taken up by the Central Government," it stated. The decision came as a huge blow to the Congress which harped on the benefits available under this policy to Muslims.

SC slams Centre for 'failure' to dispose waste

The Supreme Court has pulled up the Centre for not being serious on disposal of toxic waste lying in the defunct Union Carbide India Ltd (UCIL) plant, now represented by DOW Chemical Company, in Bhopal for the last 28 years and asked it to take a final decision on it soon.

"You are not sure even after 28 years. It is because people affected and living in Bhopal are poor. It is a failure on your part to deal with this," a bench of justices G S Singhvi and S J Mukhopadhyaya said, adding that "there is lack of seriousness in handling this problem". It asked the Centre to place before it the decision taken by the Group of Minister (GoM) on the issue by the end of June.

The toxic waste has been lying in the UCIL plant since the 1984 Bhopal gas tragedy, the world's worst industrial disaster that left over 15,000 people dead and thousands maimed. □□

China not a currency manipulator: USA

The US government says that China has made progress in allowing its currency to rise against the dollar and declined to accuse the nation of manipulating its currency to gain a trade advantage. The decision issued by the Treasury Department should help avert a potential trade dispute. But the department said China's currency is still undervalued and must rise further against the dollar.

The yuan has gained 8 percent against the dollar in the past two years. A lower-valued currency gives China a trade advantage by making

its exports cheaper and US imports more expensive. If the department found that China was manipulating its currency, the Obama administration would have had to initiate negotiations with China. If those talks failed, the US could impose trade sanctions.

Some US manufacturers have urged the administration to take punitive steps to force China to allow the yuan to trade freely. The yuan currently trades within a narrow range against the dollar. □

Rebuilding old links with new Myanmar

India and Myanmar expect to double their trade in three years, and despite a delay in introducing a bus link, hope to be connected not just over land and by air but also by rail when agreements signed by the two sides during the visit here of Prime Minister Manmohan Singh bear fruit.

Described as a "landmark" in bilateral relations, Dr. Singh's three-day visit is aimed at building on the existing relations, and his talks with President Thein Sein of Myanmar reflected this purpose.

Through most of the last two decades, New Delhi built ties with the military junta in Myanmar. But more at ease about engaging with the country after the recent changes brought Aung San Suu Kyi, the country's democracy champion, on board the political process, India signed a slew of agreements and memoranda of understanding (MoUs) on day 2 of Dr. Singh's visit, to take forward economic ties, co-operation in development and capacity-building in a range of sectors.

They include an MoU to operationalise a \$500-million line of credit announced during President Thein Sein's visit to India in October 2011. In the new brisk atmosphere, Myanmar has already identified agriculture and irrigation as the areas on which the money will be spent.

European Union prepares for Greece exit

European Union leaders, advised by senior officials to prepare contingency plans in case Greece decides to quit the single currency, urged the country to stay the course on austerity and complete the reforms demanded under its bailout programme.

After nearly six hours of talks held during an informal dinner, leaders said they were committed to

Greece remaining in the Eurozone, but it had to stick to its side of the bargain too, a commitment that will mean a heavy cost for Greeks. "We want Greece to stay in the euro, but we insist that Greece sticks to commitments that it has agreed to," German Chancellor Angela Merkel said.

Three officials said the instruction to have plans in place for a Greek exit was agreed during a teleconference of the Eurogroup Working Group. The Greek finance ministry denied there was any such agreement.

Blair reveals close ties with Murdoch

Admitting that politicians and press interact closely, former British prime minister Tony Blair told the Leveson inquiry investigating links between the two that he had got too close to the Murdoch group, but defended his relationship with newspapers as "virtually inevitable and sensible" for senior politicians.

Simultaneously, he said, "Draining of the poison from the culture is the real challenge," adding that the use of newspapers as instruments of political power created a relationship that was "unhealthy". "It needs to be sorted out. It's got to be sorted out," said Blair during the four-hour hearing at the Royal Courts of Justice (or the high court) in London. He said he met editors and media owners 300 times during his term as Prime Minister.

Payback time for tax-shy Greeks

The head of the IMF has urged Greeks to pay their taxes, saying she is more concerned about sub-Saharan Africans in poverty than Greeks hit by the economic crisis.

Christine Lagarde told the Guardian newspaper in an interview published, "As far as Athens is concerned, I also think about all those people who are

China detains hundreds as immolations go on in Tibet

A mother of three is the latest Tibetan to self-immolate to protest Chinese rule, reports said, while authorities have rounded up hundreds of people after two men set themselves alight in front of Tibet's main temple. The woman, identified as 33-year-old Rechok, set herself on fire outside a Buddhist monastery in an ethnically Tibetan region of western Sichuan province, said London-based Free Tibet and US government-backed broadcaster Radio Free Asia. They said she died at the scene and her body was being kept at the temple for cremation. That would mark at least the 35th Ti-

betan self-immolation since March 2011 to protest China's restrictions on Buddhism and call for the return from exile of the Tibetan spiritual leader, the Dalai Lama.

Chinese authorities have confirmed some of the self-immolations but not all. Self-immolations of two men outside Jokhang Temple in Tibet's regional capital Lhasa have sparked a massive security crackdown RFA said, citing unidentified sources in the city, that has been flooded with Chinese police and military since deadly anti-government protests in 2008, RFA said. □

trying to escape tax all the time." The IMF managing director said Greeks should "help themselves collectively" by "all paying their tax", adding that she thought "equally" about those deprived of public services by the crisis and those involved in tax avoidance.

Caught in a fifth straight year of recession, Greece is struggling to apply a tough austerity overhaul in return for EU-IMF loans, but has already made drastic cuts to public services. On children affected by the cuts, Lagarde said their parents needed to take responsibility.

Death for dancing at wedding

Four women and two men have been sentenced to death in northern Pakistan for singing and dancing at a wedding, police said. Clerics issued a decree after a mobile phone video emerged of the six enjoying themselves in a remote village in the mountainous district of Kohistan, 176 kilometres north of Islamabad.

Pakistani authorities in the area said local clerics had ordered the punishment over allegations that the men and women danced and sang together in Gada village, in defiance of strict tribal customs that separate men and women at weddings. "The local clerics issued a decree to kill all four women and two men shown in the video," district police officer Abdul Majeed Afridi said.

Civilian deaths drop 36% in Afghanistan

The number of Afghan civilians killed has dropped 36 percent so far this year compared with last, the UN said, the first time the death toll has declined over multiple months since the United Nations started keeping track. The senior UN envoy for the country, Jan Kubis,

called the trend promising but cautioned that too many civilians were still being caught up in the violence as insurgents fight Afghan and foreign forces.

Kubis' office said 579 civilians were killed in the first four months of this year, down from 898 killed in the same period of 2011. The number of wounded dropped from 1,373 to 1,216 in the January to April period. James Rodehaver, a UN human rights officer in Afghanistan, noted the death toll has sometimes declined from month to month since the UN started tracking attacks in 2007, but never over such a sustained period.

Accountability in drone attacks demanded

A US lawmaker has demanded accountability and transparency in drone strikes in countries like Pakistan, saying that such attacks undermine the morals, values and the strategic goals of the United States.

"The fact that they are conducted with complete impunity and with no accountability threatens to set a dangerous precedent that could unravel the very laws and international standards the US helped to create," Congressman Dennis Kucinich said.

In a statement, Kucinich said when Congress passed the 2001 Authorization for Use of Military Force, it did not authorise endless war against countries the US is not at war with. He said the use of drones must be subject to the same legal constraints and oversight as any other weapon.

Congressman Kucinich is currently inviting his colleagues to join him in writing to US President Barack Obama, to request "the targeting criteria for 'signature' strikes." □□

US solar industry blames India

US solar industry is pushing the government to drag India to the WTO, alleging that the recent Indian regulation that certain things in solar panels be manufactured in the country is in violation of the WTO rules.

"It seems to us at SEIA (Solar Energy Industries Association) that that's a fairly clear violation of Indian's WTO obligations," said John P Smirnow of King and Spalding on behalf of SEAI at a teleconference. It was organised by the International Trade Administration's Renewable Energy and Energy Efficiency Advisory Committee.

"So one of the responses that the US could take in that context is to challenge that formally. And increased enforcement activities with respect to local content we think is important," Smirnow said. Under the National Solar Mission, India requires that crystalline cells be manufactured in India.

"That's being expanded, or has been expanded to now require that the cells and modules be manufactured in India. And that effectively has blocked US or will block US crystalline cell and module manufacturers from participating in the Indian market," he alleged.

EU sues Argentina

The European Union has filed a suit against Argentina's import restrictions with WTO, intensifying the disputes between the South American nation and its trading partners. The EU's executive Commission said the case followed measures by Argentina that include an import licensing regime and an obligation on companies to balance imports with exports.

The case raises pressure on Argentina, which is being criticized by a growing number of its trading partners on an increasing number of issues. At the WTO's Trade and Goods Council on March 30, 19 WTO members - including the United States, Japan, South Korea and Australia - expressed concern about Argentina's restrictive trade measures. As a first step to fight the import procedures, the European Union is "requesting consultations," or formally demanding negotiations to try to settle the matter. The WTO confirmed it had received the EU's request.

China hits back at U.S. duties

China has launched a complaint at WTO against U.S. import duties on 22 Chinese products that the United States says are unfairly priced or subsidized, including solar panels, wind towers and steel products.

The complaint, which also encompasses such diverse products as citric acid, kitchen shelving and lawn groomers, covers exports to the United States worth \$7.3 billion, China's Ministry of Commerce said.

A spokeswoman for the Office of the U.S. Trade Representative, Nkenge Harmon, said it was studying the complaint and would respond in accordance with WTO rules. China's complaint counter-attacks in areas where the United States has been critical of China in the past few years.

India to contest 'biased' US funding

India plans to contest in WTO the way American administration has gone about raising resources for helping the victims. To help the 9/11 victims, the US had levied two percent duty on goods and services imported from nations, which are outside the purview of WTO's Agreement on Government Procurement. India is not a part of this agreement. The Commerce Ministry is considering the proposal to take the issue to WTO.

"Raising resource this way by the US is against the national treatment provision in the WTO agreements," a Commerce Ministry official said. The provision under the US James Zadroga 9/11 Health & Compensation Act also raises costs for the Indian companies in the service sector. In the recent past, the US-India trade relations have faced difficulties. Their bilateral disputes have been taken to the WTO. While ban on poultry products by India has been contested by the US, the former has challenged the latter on anti-dumping duties on import of Indian steel and pipes.

US seeks dispute settlement with India

The US has approached WTO, seeking a dispute settlement panel to decide American claims that Indian restrictions on imports of various US agricultural products, including poultry meat and chicken eggs, were discriminatory.

The US has approached WTO after its talks with India failed to resolve the dispute between the two countries. "It is essential that US farmers obtain the reliable market access that India agreed to," US Trade Representative, Ron Kirk, said.

India asserts that its measures are aimed at preventing entry of avian influenza, but US officials argue that the measures are inconsistent with the relevant science, international guidelines, and the standards India has set for its own domestic industry.

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