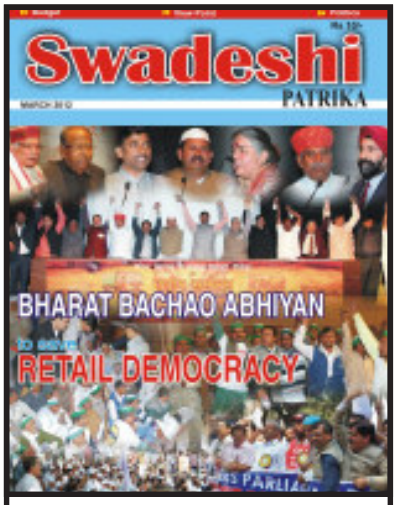

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CONTENTS

Commonman Vs politician

Common man in India, despite sixty four years of independence, is quite naive to be easily lured by shrewd politicians for their political gains. He is far away from the nitty-gritty of politics and may cast his valued vote not on the basis of his consciousness but on the dictates of his community leaders or clerics. The people, by and large, are still not educated enough to elect representatives who are highly competent and well-versed with the socio-economic, political or cultural heritage of the country. There are moments when one feels ashamed to see the elected representative causing fracas, disruptions in the state Assemblies or Parliament for the heck of it, and no meaningful business is transacted for days together causing losses to the national exchequer.

It is, therefore, suggested that the courses of study (syllabi) be grossly revised at the grass -root level so that our children, when grow up, become aware of the bottlenecks which cause hindrances in the socio-economic development or social transformation in the democratic system. Every effort must be made to increase the literacy level of women in both urban and rural India. A common man needs to realise his duties towards nation as also his fundamental rights through adequate education. It will certainly help in making the country strong. In shorter time punitive action against regular violators is urgently required.

– Prof. Roop Singh, *Digiana*

Caste census

After much debate over the official head count of people on the basis of caste, it was finally decided that caste based census should be conducted in the country. Consequently a separate exercise was started for the purpose and this mammoth task was assigned to rural development and urban, housing departments.

Now that the exercise is currently in progress and a huge man power has been put on the job.However, on examining the parameters of this exercise, we come to the conclusion that it is a cruel joke with the people of the country.

The Performa set for this caste based census is nothing but a replica of Performa that was used in the just concluded national census. Census data pertaining to caste has already been collected and all other aspects pertaining to socio economic condition of people have been properly covered under the census operation. As such, there seems to be nothing new in the present Performa for socio economic caste census. This survey is nothing but a repetitive exercise of recently concluded census.

The only thing which remains to be done is to analyse and study the census data and bring out statistical facts for better planning and policy framing.

– Ramesh Kumar, *Jammu*

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Quote-Unquote

I will not mind if you ignore me.But never look at me with suspicion.

Bal Thackery
Shiv sena Chief

Some corporate houses that also run media are against the Government. I won't serve their business interests.

Mamata Banerjee
Chief Minister, West Bengal

Government of India should come out of its Nehruvian mindset and stop taking advice from Globalizers.

Prof. R Vaidyanathan
Finance & Control UTI Chair Professor in Capital Market Studies Indian Institute of Management Bangalore

I am not required to offer any comment on Markandey Katju's remark about Press freedom in Bihar.

Nitish Kumar
Chief Minister of Bihar

We will bring Pervez Musharraf back to Pakistan soon through a Red Corner Notice issued through Interpol.

Rehman Malik
Pakistan's Interior Minister

EDITORIAL

Willful Structural Damage

Derailing of the basic structure and institutions of governance by Incoherent ruling class needs to be stopped for protecting the very idea of India.

GDP growth, the buzz word of present ruling class in general and UPA II in particular has dipped to 6.1% in third quarter. Finance Minister termed it as disappointing. But the decreasing Growth rate, lowest in almost three years, is not the only aspect of our national life that disillusions common Indian. This decline in fact is only the symptom of a much serious ailment. Nearly half of Indian Territory is under one or the other form of violent disruption. Red terror has spread its tentacles to more than 200 districts. North East and Kashmir continues to be anything but normal. Even, the otherwise peaceful states like Tamil Nadu are under a different kind of disorder. State of economy, as indicated by several parameters including the slowed growth rate, is dangerous to term it mildly. Our trade deficit is growing. More and more segments of manufacturing sector are becoming import dependent. Revenue base of the governments is incrementally squeezing. Rate of revenue growth has declined from 16% in pre - liberalization period to less than 13% in post globalised period; while deficit in the same period increased from 18% to 30 %. Short term debt ratio to total borrowings also has jumped from 10% to more than 40%. Foreign debt exceeds Forex reserves. Efforts are being made constantly to sell the Huge growing Indian Market, the most valuable asset in modern day economy. This all raises serious doubts about the resolute aspirations of the people of a one billion-plus country, determined to help India shine as a nation propelled by youthful ambition and entrepreneurial talent. These sturdy impediments pale into insignificance when compared to the now common style of functioning of our ruling class, politicians in particular. Their indiscreet decisions taken with a myopic vision of narrow self interest has potential of endangering the very sovereignty of the nation for which the people of the country have sacrificed immensely.

A lot of significance is attached to the ideology of a secular-democratic philosophy of India nation state. This is the only conceivable arrangement that ensures security of life, freedom of expression and equal opportunities of development materially as well as spiritually. There is no room for exclusiveness in a country endowed with a mosaic of cultures and what is axiomatically called unity in diversity. Our constitution makers were well aware of this fact and hence, decided to make India "quasi-Federal" union of states with a parliamentary system governed under the well defined Constitution of India, which serves as the country's supreme legal document. The power distribution between the Union government and the states is well defined. So is the role of different wings of the state, be that judiciary, Legislature or Executive. Welfare of all the people of India is supposed to be at the centre of our entire national activity. It is precisely this arrangement which is being violated both in letter and spirit, repeatedly by the entire ruling class. Incumbent Congress led UPA-II government at centre has to share the major blame for this dangerous trend. It is constantly undermining the mandate it has got. Instead of building consensus on issues of vital national importance through dialogue, it is bent upon following a course of confrontation. Democracy that allows competitive interplay of diverse, even clashing interests stands smashed. Union Minsters seem to engage in no-holds-barred brinkmanship over important issues, regardless of the negative impact on Centre-state ties, governance or economic health. No wonder that the political rivals and even allies of the UPA accuse it of steamrolling federalism. Opposition parties also have lost the moral ground to blame the ruling party alone. They themselves are no less responsible for the present state of affairs. The result is that crucial issues like fight against terrorism, corruption, black money and concerns over much abused laws like land acquisition and policy decisions requiring balancing of developmental needs of people with protection of the basic rights of disadvantaged groups and environment are compromised. It is time to realize the long term damage. Such a behaviour by the people at helm of affairs causes. Immediate necessary steps are required to be taken to reinvent the spirit of bipartisanship on vital national issues. Tomorrow may be too late.

Stakeholders join hands, to Observe

"Retail Democracy-Month" in March Under "Bharat Bachao Abhiyan"

Stake holders have joined hands to fight this onslaught. Bharat Bachao Abhiyan has been launched to protect what they term as "Democratic retailing" in India, informs **Praveen Khandelwal**

More than 100 leaders of the countrywide segments of stakeholders opposing Foreign Direct Investment (FDI) in retail unanimously decided in a joint meeting to chalk out a National Action Plan and to start a Bharat Bachao Abhiyan to stop entry of giants of Global Retail Trade in India.

All the stakeholders including traders, farmers, hawkers, consumers, APMC, SMEs etc. formed a 92 member National Joint Committee and declared the month of March as Retail Democracy Month.

Under the Retail Democracy Month, several action programmes have been chalked out which included delegations to meet Chief Ministers and leaders of oppositions in Assemblies in all States, meetings with national leaders and different political parties and holding of State level Conventions in all States beginning with March 25 in Panipat (Haryana) organised by SJM and March 17 in Ahmedabad (Gujarat) and Dandi Yatra on March 12 in Delhi.

Countrywide National Action Plan will include burning of 'FDI-Holi' on March 7, One-Day Sit-in (Dharna) on March 16, beating of Ghanta Gharyal on Shahidi Divas on March 23 and Gandhi Giri on March 30, 2012 across the country by all the organizations of all stakeholders. All the MPs of both the Houses will be presented with a memorandum before the start of Budget Session of Parliament this month.

The stakeholders also decided to develop a Parliamentary Forum to dwell support in the two Houses to fight the controversial issue by like-minded MPs.

In an unprecedented manner, several leaders of farmers and stakeholders of retail trade representing their organisations gathered at today's meeting and raised strong voices in unison of their opposition to FDI in Retail, much contrary to the claims made by the Government that the same will be advantageous for the farmers of India.

A unanimous view emerged at the Joint Meeting that Government took the decision of allowing multi-national companies (MNCs) in the Retail Trade through FDI route without any debate or discussion and taking into confidence the stakeholders being directly affected. This move is considered to be disastrous upto the level of brutally eliminating the

farmers as well as small traders.

They mentioned that even consumer will also not be spared as he has to face the onslaught by paying the highest price for the commodity which he now uses to buy from a nearby shop at the lowest affordable price. For consumers, malls and huge retail outlets may just provide short term advantages, but they are not good for everyday buying. The social security will also be at stake as small markets which are crowded all time will turn into barren places for any untoward happening.

FDI in Indian Retail Trade –A Nightmare For Domestic Players

Consensus about the adverse impact of opening up of retail sector was evident at a day-long National Convention on Foreign Direct Investment (FDI) in multi-brand Retail in India. Participants from all sections of the retail sector strongly warned the Government against such a move which, according to them all, will prove to be a nightmare for Indian economy and detrimental to the domestic players affecting more than 5 crore small shop keepers and over 22 crore people employed directly or indirectly in the retail sector.

The FDI in Retail Trade is seriously considered to be much detrimental to the interest of not only retail traders but also of other sections of society including farming, cooperative, service sector in non-corporate enterprises etc. Opening up the sector for foreign players and capital will lead to large scale unemployment, as besides agriculture, retail trade is the largest employment provider in India.

The one-Day National Convention on "Impact of Foreign Direct Investment in Retail Trade" was organized the Confederation of All India Traders (CAIT) and Swadeshi Jagaran Manch in association with more than 31 organisations of Traders, Farmers, Hawkers, Consumers etc. Leaders of different sectors of retail trade from all over the Country attended the Convention. It was a well orgnaised event in which a large number of stake holders participated and expressed their disagreement with the government move on the sector.

Participating in the debate, Dr. M.M. Joshi, BJP Leader, described the small farmers and small traders as the economic spinal cord of the country and FDI is the biggest root of corruption and its entry in India should be opposed with all might.

M. Debvrat Biswas, MP, Forward Bloc, said our stakeholders are capable of setting up anything indigenously be it infrastructure or cold storages, then why allow multi-national companies like Wal-Mart and CarreFour to rule our independent systems run by farmers and traders.

Dr. Vandna Shiva, Environmentalist, said permitting FDI in retail sector will be a direct attack on the traders, farmers and consumers and starting of a new Inspector Raj.

Mr. Mohan Guruswami, Economist, mentioned that no industry will flourish after the entry of Wal-Mart as it will swallow the small time shops and traders because this MNC is a Chinese goods dealer. Its employment will go to China and profit to US.

Mr. R.S. Sodhi, MD, AMUL, cited the example of the cooperative nature of AMUL where 31 lakh farmers working together and reaping benefits collectively and

Dr. Murli Manohar Joshi
Senior BJP Leader

"US is suffering from economic and other crisis while India still survives from such pressures only because the backbone of Indian economy is small farmers and traders. India is following a time tested method for thousands of years and hence we do not need anyone to teach us. For global retailers it may be "agri-business" but for us it is "agri-culture". The Country is having a supply sided nature of trade which if dominated and controlled by the giant retailers will cause enough damage to employment. FDI in Retail is nothing but a strategic game to conquer the resources and land. The Country needs to draw out strategies to keep a check on it by using Non-Tariff barriers. Under WTO agreement, no conditions can be imposed and therefore the condition of 30% reservation for SME's will turn ultra-virus. The global retailers are facing strong opposition for their business models and policies even in their own Countries like US where people have come out in shape of Wall Street Movement. Their policy of "buy Cheap-sell highest" is globally known and hence our small scale sector will be hit hard.FDI is a root for corruption as MNC's are known for lobbying by using money power to gain advantages and favours. Independent Farming and Trading are the pillars of strong India and therefore they need all protections and encouragement from the Government. We need for a strong united voice to oppose FDI in Retail."

Sh. Basudeb Acharya
Senior Leader of CPM & MP

"The issue came in to the lime light when the UPA- I , allowed 51% FDI in single brand retail and wanted to increase FDI in Insurance sector to 49%.A major decision like this, affecting a major proportion of the population, rendering 40 billion unemployed was taken keeping the Parliament in dark. Rural India is facing an agrarian crisis and Indian model cannot be compared to other countries because 82% of Indian farmers are small and medium farmers.They hold less than 1 acre of land.The Farmers who leave agriculture become small retailers. Retail sector employs 40 million people, where one fourth are hungry and a huge proportion is malnourished.The Agriculture contribution has reduced from 50% to 14% today. But it still provides employment to 62% people.When crisis hits the sector a huge proportion gets affected and converts to small retailers. India cannot be compared to China because India's priority is national interest and poor people's welfare.The huge investment government promises cannot be relied on as it could get withdrawn when crisis hits a nation.

East Asian examples have shown that FDI does not benefit farmers. With monopoly at the hands of the MNCs, the farmers will perish. He also said that the new liberal policies of 1991 increase agrarian crisis, poverty and unemployment. Without economic sovereignty there cannot be any political sovereignty. The struggle against FDI has to become a janandolan in its true sense to be successful."

suggested small cooperative shops in localities to serve better and easily reachable to consumers. If MNCs enter the country, employment of dignity will be vanished.

Mr. Vasudev Acharya, CPM, warned that permission to FDI in Retail means monopoly of MNCs on our retail trade. All should fight unitedly to oppose and discourage policy of UPA government to safeguard our dignity and freedom for trade. India currently allows 51% FDI in single-brand retail and 100% in cash-and-carry stores that can only sell to other retailers and businesses.

The convention was of the unanimous view that "it will generate un-even level playing field. Let the Government re-structure the existing retail and furnish with benefits and concessions. We are ready to take on the Competition."

Speaking at the convention, various leaders of Traders, Farmers, Hawkers and other sections said that "instead of inviting FDI in Retail, the Government should work out a comprehensive strategy to upgrade and modernize the existing retail trade which could meet all requirements of modernize retailing and also to meet the global challenges in quality and competitive prices."

They further said that Indian economy is not a good generator of jobs as it creates only 17 lakh jobs a year, not adequate for our growth in population. Indian retail having little entry barriers and limited skill acts as a Safety Valve. Closure of small shops will lead to mass unemployment as MNC's business model is "Buy Lowest-Sell Highest". The leaders also said that India's Employment Structure according to NSSO is Self Employed 51%, Regular Wage Employment 16% & Casual Labour 33%.

"Upto a point, the consumer will be benefitted. But once MNCs dominate, the consumers also become captive to them as their game is of Concentration and Domination," added the leaders.

Participants included renowned economists, politicians, traders, stakeholders, farmers, con-

Sh. R.S Sodhi
Managing Director, Amul

"It is an admitted fact that farmers in developed nations have not benefitted from operations of giant retailers. If the food chain gets controlled in a nation, the whole nation can be controlled. If FDI in multi-brand retail is allowed in India, then Indian dairy farmers may suffer the same fate as their western counterparts. Integration with global retail chains, which operate across the world, will directly expose Indian consumers as well as Indian farmers to any future global turbulence. In the US, dairy farmers share in consumer's dollar has declined from 52% in 1996 to 38% in 2009. Similarly, in the UK, the share of dairy farmers declined from 56% in 1996 to 38% in 2009, referring to the impact of growth of organised retail on farmers.

The Small farmers and manufacturers will not be able to stand up to the standards and prices imposed by retail giants.It is believed that FDI in retail will lead to disappearance of middlemen who make 300 to 400 % profit. But these statistics just lie because his earnings are very meager everyday after all the expenditures. India is a country made for small retailers and should remain that way."

Dr. Ashwani Mahajan
Swadeshi Jagaran Manch

"Government unilaterally took the decision of permitting FDI in Retail Trade. The traders, farmers and other sectors of retail are against FDI in retail. The supporters are those people who have vested and earning profit interests. The study of developed nations where global retailers have their business activities reflects that farmers are not benefitted by this policy. In America while the retail sale of food increase to 1200 billion dollars in 2009 from 833 billion dollars in 2000, the farmers sale of food reduced by 25% from 2000 to 2009. The US farmers earn less profit than Indian farmers. Food was intentionally rotted in India to show that FDI is required for developing better storage and cold storage facilities in India. The high level and sophisticated standardization by giant retailers lead to immense wastage for farmers produce. The argument that India needs Rs. 7800 crore for storage facilities will be met by FDI is absurd as such an amount can easily be allocated from domestic funds. "

sumers, labourers, hawkers, small-scale businessmen, transporters and leaders from cooperatives and social organizations.

At the end, the participants collectively issued a Declaration to continue jointly working to launch a nationwide campaign against FDI in Retail and to hold seminar and meetings in each State countrywide. The delegations of stakeholders will meet the Prime Minister and Leader of Oppositio both in Rajya Sabha and Lok Sabha as also the leaders of all political parties. These delegations will also meet Chief Ministers of different States.

A Joint Committee of all stakeholders will be constituted both at local, national and State levels to conduct the campaign in an organized manner.

Sh. Deepak Sharma "Pradeep
Swadeshi Jagaran Manch

"It is regretted that MNCs through powerful lobbying have managed some farmers and other organizations to speak in favour of FDI in retail. The FDI in retail is equally harmful for the farmers, traders and country as a whole. This policy reflects of a government that has no thought for the poor. We are not against technology or modernization but we need to ensure the survival of the weakest at the same time. There is urgent need of having similar conventions in different states to propagate these views."

Global retailers will make Indian Farming captive if FDI is allowed in Retail- Farmer Leaders

Contrary, to the claims made by the Government that FDI in Retail will be advantageous for the farmers of India, several prominent farmer leaders from different states strongly opposed the FDI in Retail and termed it as an instrument to make Indian farming captive to the tunes of global retailers. These farmer leaders had gathered at a National Convention on FDI in Retail

Prominent Farmer leaders present at the convention includes Shri Naresh Tikait, President, Bhartiya Kisan Union, Ram Pal Jat, President, Kisan Mahapanchayat, Rajasthan, Krishan Veer Chaudhary, President, Bharat Krishak Samaj, Sudhir Panwar, President, Kisan Jagruti Manch, Prabhakar Kelkar, General Secretary, Bhartiya Kisan Sangh, Bhagirath Chaudhary, Pres-

ident, Gramin Swabhiman Sansthan, Punjab Farmer Leader Sardar Sukhbir Singh Grewal, Om Prakash Dhankhad and Naresh Sirohi of Kisan Morcha etc. Renowned Agri-expert Dr. Vandana Shiva and Mr. R.S. Sodhi, Managing Director of AMUL also attended the convention.

Sh. Shekar Swamy
(Prolific writer Mumbai)

"FDI in Retail is nothing but globalization of food retail. The global corporate retail cannot co-exist with small retail in India. The giant retailers behave in a calculated manner and through powerful lobbying they are capable to influence the system and yet they are inconsiderate. Mexico which signed the North American Free Trade Agreement in 1994, which meant that everything going into Mexico was made free but the labour market was not made free which resulted in to the fact that now corporate sector controlled 90% of the retail and almost 25% farmers were taken off the farms. The illegal immigration has doubled and displacement of people is enormous. India has an extremely decentralized market where there is no monopoly but entry of global retailers will generate monopolistic situation where prices tend to increase. The present supply of goods from SMEs sector in India is 60-70% whereas the reservation for them under FDI is 30% which amply indicates that 30-40% of the market will be taken by global retailers in first shot itself. The FDI in retail is a very anti-national policy and should never be allowed. There should be unified attempt to oppose it."

Addressing the Convention, Shri Naresh Tikait, President, Bhartiya Kisan Union said that farming is the only occupation in India which continue working even at the cost of suffering losses. The MNC's ,if allowed to operate business activities in India, will make the farmer captive to their wishes. The cost of farming production in India is very high and in no way the global retailers will provide any relief to farmers. When the Govt has failed to provide right price to the farmers, how can it expect from foreign companies to give right price. This is absurd-he said.

Bharat Krishak Samaj President Shri Krishan Veer Chaudhary said that Food is an important sector of the Country and any overseas control on food supply chain will directly hit the autonomy of the Country.If the Government is serious to improve the conditions of Indian farmers, why not it bring sustainable policies for the farmers. Why the Government is dependent upon MNCs for creating infrastructure-questioned Shri Chaudhary.

Dr. Sanjay Paswan
(Former Union Minister)

"All over the globe effort are being made to Americanize the world by erasing poor people from the face of the earth. It's a common syndrome in all governments that come to power to conveniently ignore certain important issues which have vital bearing on economy and FDI in Retail is one such issue. Propaganda is spread through media to make farmers and traders fight amongst themselves but the people understand the game of the Government."

Mr. Ram Pal Jat, President, Kisan Mahapanchyat, Rajasthan while opposing FDI in Retail suggested that the Government should evolve a mechanism to rationally fix Minimum Support Price keep-

"In the wake of importance of the issue, it was decided by various stakeholders of the retail sector of India to launch a nationwide united movement. Retail sector is the biggest employer in India after agriculture and Small Retail is the next alternative for the poor when agriculture fails and therefore Retail trade is the employer of the poor of India. Huge subsidies for farmers in developed nations show that FDI does not benefit farmers & as a result the Farmers are perishing over the globe."

Sh. Naresh Sirohi
(leading Farmer leader)

"We need to understand the implications of FDI in Retail Trade as it will prove to be counter-productive to the interests of millions and millions of people engaged in retail trade. Many studies conducted in different countries where Global Retailers are carrying their business operations and which have proved that because of their predatory pricing policy and enormous skills, they will be able to control and dominate the retail trade to their tunes."

Shri S.V. Phene
(Initiating a debate on the issue, renowned retail expert, Mumbai)

"We should take lessons from abroad how detrimental the global retailers are not only for the Country but even to their workers. It is irony that the Parliament is always kept in dark when any WTO agreement is made. The recent Davos Declaration is one such Act. All stakeholders of retail sector need to join hands to protect India's trade & farming which provides employment to labours. On 28th February, a call for a national hartal *has been given by all labour unions. He asked all other stakeholders to join the Hartal."*

Sh. Pawan Kumar
(Bhartiya Majdoor Sangh)

Sh. Muralidhar Rao
(General Secretary, BJP)

"Govt. has been trying to get FDI in retail since a long time. India is a growing market, and efforts are being made constantly to sell this market. Due to un-even level playing field the domestic businessmen will not be able to survive against the global giants. To protect political sovereignty, the economic sovereignty will have to be protected first. The Commodity Trading in India is beneficial to corporates but proving suicidal to farmers. The argument that global retailers will control inflation is absurd and has no fundamentals. I call upon all stakeholders to join hands together to take the issue at the ground level in each state."

"Govt. took the decision without holding any proper debate or discussion. All studies pertaining to retail trade prove that entry of global retailers in retail sector will cause reduction in employment. The Country is entirely capable of creating warehousing & cold storage facilities but the mismanagement of the administration and policies of the Govt. is responsible for the mess. There is urgent need to improve the present condition of farmers & arrest the declining trend in annual income of the farmers. Trading in India is a life supporting system & not an earning system alone."

Sh. Sudhir Panwar
(Presient, Kisan JagrutiManch, Lucknow)

"The business model of global retailers make them monopolist or monopoly buyers. The more of a commodity, the large retailers buy in bulk, the lower the prices, the agricultural producers get. FDI in Retail will not create employment. Various research have proved that Wal-Mart and the like retail giants create a monopolistic market and the existing markets disappear. The Monopolist buyer often becomes Monopolist seller. About 90% of Wal-Mart's stock comes from China. It has an annual turnover of 422 billion dollars and imports from China amounts to 80 billion dollars. Therefore, the Wal-Mart's procurement from China is the major source of its profits. With its monophonic power, Wal-Mart depresses wages, by forcing suppliers to cut costs as seen in the low wages in the Chinese labour market. It is pity that the Government seems not worried about Indian jobs and is more concerned for the interests of global retailers."

Mohan Guruswamy
(Eminent economist,Gurgaon)

Sh. Bhagirath Choudhary
(President Gramin Swabhiman, Rajasthan)

"It is a struggle to make India and protect Bharat. The Govt. is trying to create confusions amongst the stakeholders but we should understand the game. A united and strong fight by all stakeholders will force the Govt. to withdraw the policy."

"Invasion of giant retailers is a global challenge affecting developed and developing countries equally. The protests in Arab Countries and other parts of the World amply reflect the destruction of small retail stores which has resulted in mass unemployment. It is a struggle between small enterprises and global chains. Because of their corporate friendly policies, the global retailers are facing resistance in their own countries. The big retail always have consolidation and expanding market base as its agenda which cause much harm to the domestic trade and industry. Due to their predatory pricing policy, controlling and domination, the SMEs will not be able to compete with them. Government should spell out the official definition of retail and a comprehensive retail trade policy for the Country. SMEs and the retail trade should be given status of Industry and government should extend special financial and training support to retail trade."

Sh. P.C. Koshy
(World Association of Small & Medium Enterprises, Noida)

Dr. Vandana Shiva
(Agri-expert, NewDelhi)

"Farmers are just being used as an excuse to get this policy in India, with no actual benefits for them. The FDI in Retail is an attack on freedom & truth. The giant retailers will disrupt the normal relations of production and supply in the Country. Though no credible organization of farmers has supported the policy yet the govt. had issued a false statement stating that farmers have no objection to the policy. The consolidated retail requires a consolidated agricultural sector. They go together and hence this policy will affect both equally. This will not benefit farmers as seen in the case of Monsanto where 250000 farmers committed suicide after Monsanto entered the seed sector."

"Study on the impact of the FTA between India and the European Union, on the right to food, is seen to be extremely negative on all groups. In 5 years, 3 to 6 million jobs will be destroyed in the unorganized sector while the current share in the market of the unorganized sector will be reduced from 90 to 55%.The hawkers' right to food will be severely violated in India. The giant retailers will also get food from Europe or other countries because the processing facilities in India is very poor and also because the tariff is low in other countries. As far as the consumers are concerned they will be negatively affected too because as seen from the experience in other countries like Mexico, Argentina etc, the supermarkets usually sell more expensive food than other small & informal outlets."

Mr. Armin Paasch
(works for MISEREOR, which is a German Catholic Bishops Organization for Development Cooperation)

"Food is a important sector of any economy and therefore all efforts should be made to ensure that no one should get control over food supply chain. If the Government really wishes to improve conditions of the farmers, why are not policies drafted in that direction. Do we really need overseas people to act as philanthropists? There are many examples of successful cooperatives in India. Such model should be encouraged instead of inviting global retailers. In utter disregard of disadvantages of Refrigerated food which weakens the immunity system of human body, the Government is bent upon promoting refrigerated food system in India. Through genetically modified food, fake norms of color, grade and taste are created and farmers are exploited. In a calculated manner, the food is deliberated made to rot so that it becomes a pretext to invite FDI."

Dr. Krishan Veer Chaudhary
(President, Bharat Krishak Samaj)

"While expressing solidarity with movement against FDI said that the argument that infrastructure will increase in India is not true because India already has enough & more warehouses and infrastructure. The problem lies in policies and management of the Government. We do not need any sophisticated technology for warehousing and cold storage. The existing facilities are more than enough and can be further developed indigenously. He further said that the Consumer prices will not reduce because the farmers are already being paid less than the MSP. He assured full cooperation from transport sector for a united fight against FDI in Retail."

Sh. Pradeep Singhal
(Working President of All India Motor Transport Congress)

"Global retailers are bound to create disruption in farming and trading sector and we must stand alive to oppose them in the larger interest of the nation. Their business policy is to kill the competition. Haryali Bazar of ITC in Madhya Pradesh is the best example of their business module. There is an urgent need to boycott all MNCs and their goods."

Sh. Prabhakar Rao Kelkar *(General Secretary, BhartiyaKisanSangh)*

"On behalf of all stakeholders while concluding the convention said that the issue of FDI in Retail is a burning issue which is evident from the fact that prominent leaders from various organization of stakeholders have gathered at one platform. There is a need to stand united in order to oppose FDI in Retail. He declared that a Joint Committee will be formed soon comprising of representatives of all stakeholders to conduct a nationwide movement. State level Conventions will be held in different States. Delegations of the Joint Committee will meet Chief Ministers of different States and leaders of all political parties and will submit joint memorandum. The Joint Committee will meet very soon and will decide & declare future course of action and strategy."

Shri B.C Bhartia **(National President, CAIT)**

Sh. Naresh Tikait
(President, Bhartiya Kisan Union, UP)

"Farmers have always been suffering and now traders too have started suffering. The farmers do not get the right price. The cost of production is not properly accounted for. The prices of electricity, fuel & transport keeps increasing but the Minimum Support Price of agricultural produce never increases. It is pity that Farmers have always been ignored in India. If it continues, the farmers will perish very soon as a community. Farming is the only occupation in India which works even while suffering losses. Bhartiya Kisan Union assures full cooperation in a joint fight against FDI in Retail."

"FDI in Retail will cause damage to not one section but to the Country as a whole. The major source of raw materials for hawkers is the small scale farmers, producers and traders. About 80% of vegetables are sold by the hawkers in India. A hawker in India according to a survey provides food worth 1000 calories for Rs.7 to 10. The global retailers will replace this system with high price structure and the consumers will be hit hard. In the larger interest of the Country we need a strong and united nationwide movement. He informed that a big rally of Hawkers will be held on 20thFeburary at New Delhi.

Sh. Shaktiman Ghosh *(General Secretary,National Hawkers Federation)*

"As per Outlook magazine of Britain, global retailer Tesco controls 76% of food trade in England which speaks their controlling and domination policy. Though, UK has the best climatic conditions for agriculture but still it imports most of its food from the US & New Zealand because local agriculture in UK vanished due to high standardization norms of corporate. The global retailers have high mark ups which is evident from the fact that potato is sold at Rs. 5/kg but the potato chips are sold at Rs.100/kg & it is the consumer who has to suffer."

Sh. B.S. Sachdeva *(Grahak Panchayat)*

"Food security is critical for the nation's sovereignty. The Farmers are becoming poorer day by day because of policies of the Government. the rationale of fixing the support price is questionable as farmers are always paid low. Though there is technological development in various sectors but farming has been grossly neglected. If our own system is not proving just to farmers, how can we sure that global retailers will prove to be advantageous to Indian Farmers."

Sh. Om Prakash Dhankhar
(President, KisanMorcha)

ing into consideration the cost price index, so that farmers can get right price for their produce.

Mr. Sudhir Panwar,President, Kisan Jagruti Manch argued that trading in India is a life support system and not entirely an earning system. The Minimum Support Price is very low in India is very low because of wrong policies and mal-administration of the Government. To make farmer happy, we do not need any global retailer rather we need a strong policy and its effective execution by the Government.

Dr. Vandana Shiva, noted agriculture expert said that consolidated retail does require a consolidated agriculture as well and therefore the policy of FDI in Retail is going to be detrimental for both of the sector. This will not benefit farmers as seen in the case of Monsanto where 250000 farmers committed suicide after Monsanto entered the seed sector. Same story will repeat if MNCs are allowed in retail trade.

"Government is trying to destroy the fabric of mutual cooperation between Traders, Farmers, Hawkers and consumers. The policies are being framed to please the corporate sector which has so far yield profits by using sovereign wealth. Instead of inviting global retailers, the Government should frame policies to encourage farmers and traders to render their best."

Sh. Bal Krishan Aggarwal *(Bharat Udyog Vyapar Mandal)*

"Whole socialist, left spectrum stands in unity to oppose FDI in Retail as it will promote a kind of foreign rule over the country with only a fake freedom. We will lose rights over our land, water and environment. We are passing through a system where instead of a democratic Government we have a Government of the Corporate, by the Corporate and for the Corporate. The Parliament has been overlooked. It is sad that Government is advocating the policy on the pretext that States have a right to opt out of this policy but it is forgetting that India is one nation. It's not true that large and uniform farms yield more. The fact remains that small farms yield much more and India has 80% of small farmers."

Sh. Debabrata Biswas *(MP, Forward Bloc)*

Mr. R.S. Sodhi, Managing Director of Amul while addressing the farmer leaders said that if FDI in multi-brand retail is introduced in India, then Indian dairy farmers may end up suffering the same fate as their western counterparts. Integration with global retail chains, which operate across the world, will directly expose Indian consumers as well as Indian farmers to any future global turbulence, he said. In the US, dairy farmers share in consumer's dollar has declined from 52% in 1996 to 38% in 2009. Similarly, in the UK, the share of dairy farmers declined from 56% in 1996 to 38% in 2009, he said, referring to the impact of growth of organised retail on farmers. Organised retail bounds to be monopolistic and access to market often comes at a heavy price to both farmers as well as processors-he said.

The farmer leaders decided to join hands with other stakeholders of retail trade to launch a nationwide campaign against FDI in Retail. ❑❑

"Khadyasurakhsa (food security) *is the only guarantee to the nations sovereignty and all efforts should be made to protect agriculture from the clutches of global giants. The government policies have been always in favour of corporates. They have never benefitted the farmers. The farmer is not even getting the Minimum Support Price. He informed that farmers of Rajasthan are holding a Rally on 26th Feb. at Jaipur."*

Sh. Rampal Jat *(President, Kisan Mahapanchayat, Rajasthan)*

Nothing Special about Special Economic Zones (SEZs)

Supported by all political parties, including the Left Front, SEZs actually became a nationwide campaign to forcibly acquire and make available land on a platter to the industry, displacing lakhs of farmers. The resulting social unrest across the rural spectrum was considered to be a small price the country must pay for achieving long-term development, recalls **Devinder Sharma**

Some years back I delivered a memorial lecture at Rohtak in Haryana. The Haryana chief minister Bhupinder Singh Hooda was in the chair. Knowing how flawed his economic thinking of acquiring large tracts of farmland for the sake of industry in the name of Special Economic Zones (SEZs) was, I dwelled upon the dangers and the disastrous fallout waiting to happen as far as livelihood security of the masses and country's food security was concerned.

Hooda was obviously irked, and visibly angry. Cutting me short, he got up and intervened saying how right his policy was for the farmers, and for the state's ultimate economic progress. I asked him where and when was a public discourse held to know whether SEZ was a good investment, and he retaliated by challenging me to an open discussion anytime later in Chandigarh, which of course never happened.

Several years later, I stand bemused to find Hooda take a complete u-turn: "It is true that SEZs have not succeeded, not only in the state but in the entire country. There was economic slowdown in the entire world, so SEZs could not succeed," he said recently. Although he acknowledges the fault, what he says in its defence is also not correct. And this is true for the entire policy making process, which still refuses to accept the fundamental flaws in the SEZ policy. As IMF chief economist and an advisor to the Prime Minister, Raghuram Rajan, had stated way back in 2007: "India's SEZ policy was a tax giveaway and was likely to shift Indian production to SEZs rather than create new economic activity." He was quoted in the Wall Street Journal as saying "these zones would be viable only if they focused on providing superior infrastructure, business-friendly regulations and exemptions from labour laws rather than offering often misdirected subsidies, guarantees, and tax sops that a stretched budget can ill-afford".

By October 2011, ministry of commerce had approved 583 SEZs. As per news reports, one-third of these – approximately 202 — have been already withdrawn. A majority of those who are still struck are known to be looking for

Even before the global economic meltdown of 2009-10, SEZs had failed to live up to the expectations.

better escape options. For instance, the realty giant DLF with its joint venture partner Hubtown, has recently sold its IT SEZ in Pune to a private equity firm Blackstone for Rs 810-crore. In Haryana, Reliance Haryana SEZ Limited (RHSL), a Mukesh Ambani's Reliance Ventures Ltd and Haryana State Industrial and Infrastructure Development Corporation (HSIDC), is the latest one to drop out. It had earlier shelved its Jhajjar SEZ and converted it into a model economic township to be implemented by a new company.

Reliance was seeking further extension for its Gurgaon SEZ, but has been finally asked to return 1,383 acres that it got from the state government. In Andhra Pradesh, 109 SEZs were approved, only 36 are operational. The Andhra Pradesh Industrial Infrastructure Corporation has scrapped the MoUs with the major defaulters and taken back the land assigned, including from Unitech and Caparo. In Haryana, only 3 of the 46 approved SEZ are in operation.

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The realty giant DLF with its joint venture partner Hubtown, has recently sold its IT SEZ in Pune to a private equity firm Blackstone for Rs 810-crore.

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SEZ were promoted as an engine house of economic liberalisation. These were primarily set up to prop-up the slowing economy. These were supposed to drive exports, and, in turn employment and growth. All kinds of sops – tax waivers and giveaways – including precious land provided at a throw-away price, were given to energise manufacturing and exports. To blame the economic slowdown therefore for the failure of SEZs to take-off is to find an easy escape route for the fundamentally flawed policy. Even before the global economic meltdown of 2009-10, SEZs had failed to live up to the expectations and at the same time failed to demonstrate any significant upswing in export growth. In reality, it provided a massive windfall for realty developers. SEZ were perceived as real estate ventures and therefore an opportunity for land grab where developers could use 65 per cent of the acquired land to build hotels, restaurant and apartments.

Why blame Hooda alone, Prime Minister Manmohan Singh too was mesmerised by the SEZ potential. At an award ceremony in Mumbai in 2007, he had said: "Special Economic Zone (SEZ) is an idea whose time has come." Supported by all political parties, including the Left Front, he actually launched a nationwide campaign to forcibly acquire and make available land on a platter to the industry, displacing lakhs of farmers. What began with SEZ subsequently continued in the name of industrial development. Farmers resisted, and pitched land battles were waged across the country, the likes of which have not been witnessed in living memory. The resulting social unrest across the rural spectrum was considered to be a small price the country must pay for achieving long-term development. As companies lined up for SEZs, most state governments went aggressively into property dealing.

As expected, not many states have realised the social and economic benefits that were originally promised. Except for the IT sector, which has very cleverly used SEZ to seek further extend the tax exemption period, the enthusiasm from other sectors was clearly missing. In essence, SEZ was a misplaced idea whose time had lapsed much before it caught the imagination of policy makers in India. ❑❑

Between the devil and the deep blue sea

People's welfare is as remote today as it was before reforms. Difference is that previously the ministers and officials were extracting monies from the businesses and the common man. Now the big businesses have changed sides and along with the ministers & officials are extracting monies from the small businesses and the common man, thinks **Dr Bharat Jhunjhunwala.**

The state was dominant in the economy before the reforms of 1991. Businessmen were treated as thieves. Indira Gandhi had nationalized the banks, insurance and coal mining companies saying that these were exploiting the people. The same units will work for the welfare of the people under the control of government officials, she said. For examples, the Public Sector banks will open branches in the rural areas. This pro-people hype was mere talk, however. The common man was as tyrannized by the state as the businessmen before the reforms. He had to pay bribes and run from pillar to post to get a ration card, electricity- or gas connection. Ministers and officials were extracting monies both from the businessmen and the common man.

Economic reforms were implemented under the leadership of Dr Man Mohan Singh in this situation. Thinking was that businessmen will be released from the chains of the state. The ensuing rapid economic growth will create jobs and also provide cheap goods of good quality to the people. People's welfare will be secured spontaneously. But what is happening is quite the opposite. This much is correct that big businesses have been released from government control to some extent. But the benefits of this have not reached the people. On the contrary, the ministers, officials and big businesses are now together tyrannizing the people; as was being done by the ministers and officials before reforms. Three examples will make the point.

First example is that of the Goods and Services Tax (GST). The Central Government today collects excise duty and service tax at various rates on different commodities and services. This leads to many disputes between the businessmen and the tax collector. Businessmen contend that a particular commodity should be taxed at, say, 8 percent; while the tax collector says that tax should be paid at 16 percent. Such disputes lead to much litigation and diversion of people's energies from productive works. The Government has proposed to tax nearly all commodities and services barring few exceptions at a single rate of tax under the GST regime. Idea is that this will remove roadblocks to economic activity, increase rate of economic growth and job creation and provide relief to the people.

What is likely to happen is quite different. Goods consumed by the poor and rich; and goods

produced by labour- and capital intensive technologies will be taxed at the same rate. This will lead to increase in rate of taxes on goods consumed by the poor and produced by labour-intensive methods. For example, the rasvanti and bottled soft drinks; and handloom and power loom will be taxed at the same rate. This increase in rate of taxes on rasvanti and handloom will have a negative impact on the poor which, in my assessment, be much greater than the beneficial impact of increased economic activity.

Second example is that of welfare state. There was widespread illiteracy and lack of schools at the time of Independence. The Government decided to establish schools in distant villages to make education accessible to one and all. Fees were kept low to provide incentive to the poor to send their children to school. Government expenditures were increased on health services similarly. These measures were entirely laudable and had a positive impact on the people. Circumstances have changed dramatically since then, however. People have understood the importance of education. Results of private schools are often twice better than government schools even though salaries of teachers are about one-fourth. Government schools are in tatters. Pass rates are about one-half of private schools because teachers have no incentive to teach.

The straightforward solution to this problem was to disband the government school system except in the remotest villages; and distribute the money being spent on government teachers to school-going children through vouchers with which they could pay the fees of school of their choice. Such policy would have provided good quality education to the poor students without imposing additional financial burden on the government. Instead of implementing such a policy, the government has twisted the logic and provided enhanced inducements to the poor to continue to send their children in non-performing government schools. Children attending non-performing government schools are provided with ration, mid-day means, free books and uniforms. In this way the government is ensuring that children remain uneducated.

Third example is of disinvestment on Public Sector Undertakings (PSUs). These were established mostly between the fifties and seventies. Private businesses did not have the capacity and experience to establish these at that time. They did not have the necessary capital, technology and risk taking ability. It was necessary for the government to step in and jumpstart the process of industrialization. Circumstances have changed since then. Private corporations like those of Tatas and Reliance can now put up plants as large as those in the Public Sector. Further, PSUs have been inflicted with the disease of corruption. Officials in the PSUs are appointed and promoted at the pleasure of the ministers. Many PSUs are running in loss. Taxes are being imposed on the people to provide monies to the PSUs to meet this deficit. The Government has recently put together a package to bail out Air India, for example. PSUs established for the welfare of the people have become a burden upon them.

The straightforward method of overcoming this problem was to privatize the PSUs. Sell the majority shareholding to private businessmen and give up government control over their management as was done with Videsh Sanchar Nigam Limited and BALCO during the NDA regime. Monies raised from the sale could be used to reduce the burden of tax on the people. The total tax as a share of GDP had declined at that time. Man Mohan Singh has wholly reversed the process. He is disinvesting minority shareholdings of the PSUs instead of privatizing them. This is leading to deepening of Government role instead of reducing the same. Ownership of majority shareholding with the Government means that control over key policy decisions such as appointment of the MD will continue to rest with the Ministers. The proceeds of disinvestment will provide more money to the Government for making whatever expenditures. Not content with such increase in role of the government in the economy, Man Mohan Singh has seen the total tax rate climbing upwards. Privatization was to lead to reducing the role of government and reduction of tax burden on the people. It has been twisted to maintaining the power of the Government and imposing more taxes on the people.

It is clear the people's welfare is as remote today as was before reforms. Difference is that previously the ministers and officials were extracting monies from the businesses and the common man. Now the big businesses have changed sides. The ministers, officials and big businesses are today extracting monies from the small businesses and the common man. ❑❑

India Should leverage the Gold with the households

Gold is brought by the women of the country. They are smart and shrewd- they will not do anything which does not make economic sense even though most economists do not have any sense pertaining to Indian realities, observes **Prof Vaidynathan**

India is one of the largest buyers of gold in the world. More than 90 per cent of this is for jewellery purposes and not for Industrial purposes. Table 1 gives the purchase of gold for jewellery by different countries in the last few years. In the past, Indian demand was nearly 30 per cent of global consumption. Recently, the attraction of smuggling has come down due to liberalized import policy. Incidentally, domestic production of gold is very negligible, running into a few tonnes.

The purchases made in Middle East is also mostly by people of Indian origin and to that extent the demand by "Indians" is much larger. What is bought in Gulf States this year by the NRIs (non-resident Indians) will reach here may be in a year or so. At an average price of, say, Rs20, 000 for ten grams, we can estimate that for 1000 tonnes nearly Rs.2 Lakh crore has been spent in buying gold last year by Indian households, which is much larger than the aggregate capital raised from the stock market.

The purchase of Gold by households is not treated as savings in our statistics. It is treated, as consumption by households which are curious as households treat purchase of gold as "investments" whatever the economists in government may think. That the Gold is in private hands is important to note and since it is not with government it is productive. It is interesting to note that the demand has been around 1000 tonnes in the last two years and of this 25 percent is for Bar/coin investment.

But why do households invest in gold?

It is not for the return but for security. Gold is the major social security for large number of Indian households which do not have any social security at all. Kindly observe that nearly 90 percent of India is self-employed. The problem is more acute for the wives of these self-employed, as they do not have any independent access to income or savings. Even if they work, it is used for current consumption. In the poorer segments, a good portion of the income of the man could be used for drinking, gambling, etc., and hence not much left at old age.

The joint family system is breaking down and so the traditional support models are getting weakened. Under the circumstances, it is but natural that the Indian woman would like to own some assets

which are useful in old age, or in case of any other eventuality. Real-estate is relatively costly, not divisible and not portable. Gold ornaments are portable and divisible. A chain can be converted into two bangles and also one can have smallest nose ring or ear stud unlike land.

Transfer of ownership is also very easy. In the case of gold ornaments one can say that possession is ownership. In other words, if a mother removes her chain and gives it to her daughter then it belongs to the latter by tradition. One can get loan against gold by pledging it with a moneylender any time of the day or night, seven days of the week. The millions of moneylenders are actually the ATM (All Time Money) of our country, as they act as money vendors with a personal touch too. In other words gold represents the most liquid form of asset in India. One can also say that gold is the most politically correct metal, which can be owned. In traditional Indian families, sometimes, shares or fixed deposits are disposed without the knowledge of the housewife. But gold is always sold with the concurrence of the housewife. Of course, if it is on her body then it cannot be disposed off without her knowledge.

The so-called superstition pertaining to not removing the Mangal Sutra till the death of the husband is an insurance protection to the woman against rapacious relatives and children. It is assumed that the gold ornaments will work as social security for her in case of major emergency or after the death of the head of the household. The Bollywood blockbusters of yesteryear would invariably have a scene where the heroine removes her

bangles or chain to be pledged for the benefit of her ailing husband and it did reflect the ground reality better than the views of experts. Hence, gold is the most liquid, portable, easy to transfer, act as social security and insurance for the middle- and low-income group women.

The Total Stock of Gold is estimated at 18,000-40,000 tonnes by different experts which may be an underestimate particularly after the Trivandrum temple vaults got opened up. That temple alone supposed to hold more than half a billion worth of Gold/Emeralds /Rubies etc

As the largest buyer of this metal in the world, India should play an active role in the international market and leverage our position to shape policies pertaining to gold. Any large buyer of a commodity, say, oil or coffee or zinc or maize wants to, and does, have a say in the accelerated disposal of that commodity in the world market. What does India do? Nothing. Is our government, then, not concerned about the welfare of the people but only about some ideological shibboleth? Why is it so? It is because there is a considerable dis-connect between the government and the middle-class.

The planners and policy-makers are either the socialist type or globalizing metropolitan elites. The Nehruvian socialist experts feel that the middle-class or petite bourgeois is naive to invest in unproductive assets instead of joining the working class in the struggle to get social security for all. This did not happen and even the proletariat opted to buy gold having little faith in the government (of any variety) providing any security at old age.

The globalizing metropolitan elites feel that the middle-class is foolish in investing in gold since the "experts like them" have defined it to be un-productive. They would rather have the middle class invest in share markets and burn their hands and legs. They are concerned about reforming the government pension system which is under severe strain as both the Central and State governments are broke. In such a situation, the most entrepreneurial and hard working, self-employed groups are facing a huge challenge to protect their future.

Their position is that of a nut caught in the nutcracker with the socialists and globalisers acting as the two arms.

It is not the Indian woman who is naive or foolish, but the government which is insensitive and ignorant to the issue of leveraging on our strength.

In the context of 'Digital Cash' becoming more active, the number of transactions may rise to trillions and the number of trans-border entities issuing them will also increase. This would be more so with increased outsourcing activities. Since "Digi-Cash" does not have any sovereign guarantee, the role of gold as a medium of exchange and as an underlying standard will increase. As the monetary transactions in the net-based world expand, the concern for the underlying lack of "Sovereign Guarantee" should be highlighted. In the context of a possible death of euro and the decline of the US Dollar, this may not be very difficult to visualize. Along with this, a campaign should be launched by India to bring gold as standard of security (if not as a medium of exchange) and this may enormously help the millions of self-employed in India who own this asset and who have to take care of themselves in the coming decades.

India should also create mechanisms to leverage on the investment category [namely Bars/ Coins] of the Gold purchases by middle class in the last few years. Innovative mechanisms can be created by government of India to facilitate this gold to be invested with banks and earn some nominal interest rates so that Government can show large stock of gold in banks to facilitate the stabilization of rupee value. Actually much of these coins and bars are already kept in bank lockers and locker fee is paid by the middle-class.

But in order to initiate any such steps Government of India should come out of its Nehruvian mindset and stop taking advice from Globalizers who will sell all these Gold along with our housewives to Global corporations. India should co-opt China in this global campaign to make Gold a unit of security when sovereign guarantees are not taken seriously.

One thing should be clear. Gold is brought by the women of the country. They are smart and shrewd- they will not do anything which do not make economic sense even though most economists do not have any sense pertaining to Indian realities. ❑❑

Congress' divisive agenda

Congress has almost revived the philosophy of pre-Partition Muslim League — namely that minority Muslims are not safe in the hands of the majority Hindus. This is precisely what the original Gandhi, Nehru and Patel fought against but lost to Jinnah, explains **S. Gurumurthy**

As a disparate Bharatiya Janta Party looks to a Kushwaha to steal OBC votes to reach the third spot in the Uttar Pradesh poll table, a desperate Congress is attempting to pick Muslim pockets to push the BJP to the fourth place. In their one-upmanship, while the BJP has blackened its face, the Congress has dirtied its history. But the Congress has done more. It is into a dangerous game. The neo-Gandhi Congress has almost revived the philosophy of pre-Partition Muslim League — namely that minority Muslims are not safe in the hands of the majority Hindus. This is precisely what the original Gandhi, Nehru and Patel fought against but lost to Jinnah. Thus, while the BJP has undermined itself, the fake-Gandhi Congress is breaking the nation itself.

The poisonous thought of the then Muslim League has become million times more potent for exploitation with the rise of global Islamic extremism and terror that it has given birth to. And this high potency arsenic, aided by the Muslim voter psychology that competitive secular politics had developed in India, has drastically changed the definition of what is perceived as pro-minority in Indian politics. Sympathising, even siding, with extremists, in India and elsewhere — whether it was the Students Islamic Movement of India (SIMI) in India, or Osama bin Laden outside — is increasingly regarded as being pro-Muslim, making all socio-economic agenda for Muslims less attractive. And mostly marginal secular parties — the SP, the BSP, the DMK, the RJD and the like — were condoning and espousing extremists like the SIMI, Al-Umma, Indian Mujahideen (IM), Deendar Anjuman, creating the perception that all actions against Islamic extremism are anti-Muslim. This had led to two dangerous inferences. One, the Indian state, police or intelligence, even judiciary — insinuated as dominantly Hindu — cannot be fair to Muslims and two, Muslim themselves feel only those who are soft on, or sympathise with, the extremists are Muslim-friendly; others are not. Now the fake-Gandhi Congress desperate for Muslim votes is itself endorsing this dangerous logic.

Digvijay Singh, the Congress in-charge of UP and a mentor of Rahul Gandhi, initiated this vicious agenda by calling the Batla House (September 19, 2008) encounter fake. The Batla House encounter was the first counter-terror action against the IM by the Indian state. The Batla House terrorists were all from the Sarai Mir area of Azam-

garh to which Abu Saleem, a D-gang don, belongs to. The Telegraph (September 20, 2008) wrote on Sarai Mir: 'Salem is said to have flooded his hometown with cash. Sarai Mir's rows of prosperous-looking shops and 60-odd phone booths give away how the town of 7,000 people has suddenly turned wealthy.' No seer is needed to say why the IM has its base in Sarai Mir. A well-known writer on security issues, Pravin Swami, in his acutely analytical article (The Hindu, October 10, 2008) ridiculed the charges that the Batla House encounter was fake and castigated the denial mentality of Muslim leaders. Swami wrote: 'In a recent article, the University of Delaware's Director of Islamic Studies, Muqtedar Khan, lashed out at the 'intellectually dishonest' representatives of Muslims who 'live in denial.' "They first deny that there is such a thing as jihadi terrorism," Dr. Khan noted, adding that they say that Iraq, Palestine and Kashmir 'are the primary cause for jihadi violence'; a phenomenon whose very existence they have already denied.'. Swami also faulted Indian journalists who, without following the IM story, highlighted the denial stories. The fact is that before and after the encounter, the IM itself claimed involvement in 10 blasts: November 23, 2007 Uttar Pradesh serial blasts; May 13, 2008 Jaipur bombings; July 25, 2008 Bangalore serial blasts; July 26, 2008 Ahmedabad serial blasts; September 13, 2008 Delhi serial blasts; 2010 Pune bombing; 2010 Jama Masjid attack; 2010 Varanasi bombing; 2011 Mumbai serial blasts.

Yet, Digvijay repeatedly — as late as January 12 — labelled the encounter fake, even as the UPA government had kept insisting it was genuine. Digvijay had also moved deeper on his agenda. He went to Sarai Mir to console the families of the extremists killed in the encounter. There were violent protests in Sarai Mir when the Batla House encounter took place. The implication is clear. Not just separatism is acceptable; even extremism is condonable.

With UP election fever rising, the fake-Gandhi Congress has come up with yet another idea to separate Muslims from Hindus — namely a special 4.5 per cent reservation for Muslims out of the OBC quota. Salman Khurshid has gone a step further and said that the reservation would be doubled to 9 per cent! See the contrast. The original-Gandhi Congress had totally opposed communal reservation. The Constituent Assembly had unanimously rejected it. 'A lengthy discussion took place on these proposals of the advisory committee.

The majority of the speakers — and these included members from all communities — Muslims, Christians, Anglo-Indians, Scheduled Castes, as well as Hindus — offered full support to the proposal to abolish reservations on communal grounds. Jawaharlal Nehru described the proposal as a "historic turn in our destiny".' (B Shivarao, The Framing of the Indian Constitution) Later when Pundit Nehru lamented and warned the chief ministers on June 27, 1961: "I am grieved to learn how far this business of reservation has gone based on communal considerations.... This way lies not only folly but disaster." This disaster is now the agenda of the neo-Congress to win Muslim votes in UP.

Even the experiment of a separate homeland for Muslims has only made it worse for the Muslims as a whole. This is what a recent post in the World Defence Network site on Pakistan defence says: "It is no hidden fact that the economic condition of Muslims in India is far from ideal. There are a number of theories that give various reasons for this, like government apathy, lack of education and ignorance, but there is one reason that most miss out, the migration of upper class and rich Muslims to Pakistan. Though it may sound like a far fetched theory, but one cannot deny that most of the people who migrated to Pakistan were rich landlords. As they say, the cream of Muslims moved away from the country, leaving behind poor Muslims. This disturbed the balance of the society." QED: Separation, even a separate Muslim nation, has only harmed the Muslims.

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Even the experiment of a separate homeland for Muslims has only made it worse for the Muslims as a whole.
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Yet what the Muslim League had disastrously experimented with and miserably failed is now the star agenda of the fake-Gandhi Congress. This is not to win the gold medal in UP elections but to attempt bronze. Will the nation wake up to this provenly dangerous politics? ❑❑

(Views expressed in the column are the author's own)

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Subsidies not people oriented; let government take to "out of box" approach

Over the years the finance ministry has increased its own expenditure by many times. Whatever it earns through tax collection is frittered away in high expenses. Finance Ministry needs to do cost cutting on itself. It may spare almost Rs 5 lakh crore needed for education, health and other social welfare schemes, thinks **Shiva Ji Sarkar**

Fertilizer subsidies go to the companies to keep them inefficient and extract high prices. They have not helped the farmers. The entire subsidy regime needs a review and reorient to benefit the targeted people.

Should the subsidies be cut or not has become an endless debate for decades. The truth is there is an outgo from government coffers in the name of subsidy supposedly on agriculture, petro products and fertiliser apart from some other heads.

The reality is those targeted do not get the benefit of subsidy. The debate is relevant in the wake of the slowest ever GDP growth rate at 6.9 per cent from 8.4 per cent a year ago. The slowdown is mainly on account of a slower growth in manufacturing output, confirming fears of an industrial slowdown.

Inflation and high bank rates have taken their toll – private consumption has come down to 58.1 per cent against 58.7 per cent last year. That itself was a fall by quite a few notch from the previous year. This is an indication that people are putting off planned purchases as inflation is eroding their income.

It is further aided by policy uncertainty as government dithers on taking any decisive step. The government needs to think "out of the box" but it is not able to get out of hackneyed approach of "reforms", which has not been happening. Its definition of reform since 1991 is pegged on cutting subsidies, depriving the working class of their dues and allowing the large corporate to hire and fire.

India's job situation is one of the worst in the world despite the MNREGA – employment guarantee scheme in rural areas. Whatever its impact the Rs 40,000 crore project gives direct dole to people despite large corruption and often very low payments. As per official estimates unemployment remains at 9 per cent – 12 crore people.

The slowdown is likely to throw many more almost in all sectors, including information technology, out of job. The squeeze in pay packet is also imminent despite notional rise of per capita income to Rs 60,000 a year.

The other major subsidy that the government gives through bonds is to oil marketing companies (OMC). Though the outgo is not immediate on an average it doles out Rs 30,000 crore a year to oil companies to meet their "under recoveries" – not losses. The public sector oil companies, the finance ministry has realised, have presented to the government an inflated bill for the last over a decade.

The OMCs have been given

a free hand to increase prices and also receive a subsidy. It is a double trick to deprive the people and the government. The policy failure is too glaring. The high petroleum product prices have made transportation of all sorts – train, bus, truck and private travel dearer. In turn, it makes all commodities expensive and has immensely contributed to slowdown. This is one subsidy that government can consider doing away with.

It is a skewed policy. As the OMCs are earning large profits through high prices, their subsidy needs to be done away with. But lobbies working within have not allowed the government to take a step on it.

There is another. Over the years the finance ministry has increased its own expenditure by many times. Whatever it earns through tax collection is frittered away in high expenses. The Tendulkar committee had estimated that over 48 per cent of tax earnings are spent in collection – too high. The finance ministry may say that since it earns it could spend. It is like a father saying that since he earns he need take not care of the family needs and drink it away.

The finance ministry needs to prune its staff strength in tax collection departments. A complex tax calculation and realisation system has not helped it at all. The compulsory filing of income tax papers by all, pan card and similar other systems has not helped it realise much of the taxes but has burdened it with high avoidable expenditure.

The government collected about Rs 8 lakh crore in taxes and almost half of it was spent on the finance ministry itself in 2010-11. The finance ministry has to initiate a drastic step to prune it, if it wants the country to develop. Is it not a massive subsidy to sustain an inefficient system?

Finance minister Pranab Mukherjee says that fertiliser subsidy is going to be Rs 90,000 crore as against the projected Rs 40,000 crore. Similarly, food subsidies will also increase. The net increment would be roughly about not less than Rs 80,000 crore. It may be Rs 1 lakh crore, he says.

It is passed on for publicity purposes as farm subsidy. Is that the truth? The farmers do not get any of it. The food subsidy is passed on to the Food Corporation of India, which is supposed to purchase food grain from farmers and minimum support price (MSP). The FCI often pays much less than the MSP.

The FCI is supposed to maintain a buffer stock of 82 lakh ton of wheat and 118 lakh tons of rice while it maintains a stock of 230 lakh tons of wheat, and a stock of 242 lakh tons rice, more than double the requirement.

The FCI has been allowed to function in the most in ubiquitous way. It has power to purchase, rot at least 30 per cent of its stocks and helps increase the prices in the market. Its functioning needs a commercial approach. It should act like a market interventionist agency to maintain prices. It would then be able to generate its own revenue. But large market functionaries do not allow that to happen.

Similarly fertiliser subsidies go to the companies to keep them inefficient and extract high prices. They have not helped the farmers.

The entire subsidy regime needs a review and reorient to benefit the targeted people. The expenditure on government departments and their unwieldy structure needs a cut not on development projects. But expense cut is often restricted to plan projects.

The government is seized of using rhetoric. If it is concerned about high subsidies, it needs to do an honest review as to who the subsidies are being paid.

The country does not need to pay to OMCs any money, as they are having enough from sales itself. It also does not need to pay to fertilizer companies nor to FCI. If they are allowed to function like any marketing organisation, they could recover their costs and possibly pay dividend to the government.

Above all finance ministry needs to do cost cutting on itself. It may spare almost Rs 5 lakh crore needed for education, health and other social welfare schemes. In short, the subsidy is not people oriented. ❑❑

Budget 2012-13

Challenges before FM

Finance Minister needs to take steps in the forthcoming budget, which helps containing prices and raise demand in the economy. For this, he needs to create suitable atmosphere to encourage investment demand. We also have to come out of the mindset that only foreign investment can do well for the country, explains **Dr. Ashwani Mahajan**

Hectic activities are on for preparation of Budget 2012-13. Budget is not only a statement of government's expenditure and revenue; it is also a reflection of government's economic policies in the coming year. For the last few years, unfortunately, the budget is turning out to be just a matter of routine, devoid of much imagination. However, in view of the challenges before the nation, it is expected that budget gives policy solutions to the present day economic problems. Year 2011 was a difficult year for the world in general and developed world in particular.

Twice Standard and Poors downgraded USA's economic rating, and recession started raising its ugly head again. Greece, Portugal, Italy etc., already under the clouds of erosion of sovereignty are being forced to accept conditions imposed by countries providing bail-out packages including writing off and restructuring of loans. USA's hiking of borrowing limit to avoid imminent sovereign default and looming European Union crisis, has made the things worst for India too, as Foreign Institutional Investors have started flying back to their respective countries, for what they call 'flight to safety'. Foreign Direct Investment (FDI) as well as (Foreign Portfolio Investment) FPI, have got affected due to recession in USA and EU. All this has resulted in weakening of rupee, which is leading to nervousness among Indian policy makers.

Continuously rising international price of crude oil and weakening of rupee are not only creating huge trade deficit, but also fueling inflation in the country. Better results in agricultural sector and satisfactory production of fruits, vegetables and other agricultural produce, have put a break on food inflation, but high rate of general inflation continues to make life difficult for commoners. RBI's attempt to contain inflation by raising interest rates, is causing slowdown in the economy. This slow-

RBI governor has recently warned against rising debt-GDP ratio, which has reached 65 percent, next only to Hungary among emerging economies.

down has affected manufacturing sector the most, but this may lead to slowing down of service sector too. High interest rates and prices of petro products are raising costs for industries, and are increasing the problem of common man manifold.

Worrisome Fiscal Deficit

While presenting Union Budget 2011-12, Finance Minister had given the estimate of fiscal deficit to be 4.6 percent of GDP. Through Fiscal Responsibility and Budget Management (FRBM) Act 2003, Central government put a limit on itself to bring down fiscal deficit to 2.5 percent of GDP. However, it is unfortunate that even after 8 years of passage of this Act, we are unable to take even a step further in this direction. Rising fiscal deficit is continuously raising the size of government debt. With every successive budget, burden of repayment of interest is continuously rising. Budget 2011-12 allocated Rs. 2.68 lakh crores for repayment of interest, which was only Rs. 2.13 lakh crores in 2009-10. Today many countries of the world are facing the huge sovereign debt problem, causing crisis of sovereignty. RBI governor has recently warned against rising debt-GDP ratio, which has reached 65 percent, next only to Hungary among emerging economies.

Inflation Coupled with Global Recession

We have been facing continuously flaring up of prices in the last 2-3 years. Government is seen patting its own back for downtrend in inflation due to increase in production of food items, but it has not helped in pulling down inflation in other segments. Life of common man is disturbed, as his subsistence is endangered. Rising government expenditure is making the things worst, as government is compelled to borrow from RBI, which in turn is causing increase in supply of currency with the public. This is fuelling the inflation further. Indifference of the government towards agriculture, is evident from the successive budgets and government expenditure on agriculture is continuously declining and is down to just 'one' percent of total budget expenditure. Government's indifference towards agriculture is affecting agricultural growth adversely and causing rising food prices in the country. Country is facing shortfall in export demand due to recession and economic crisis in the developed world. Thus increase in demand is no less a challenge for the FM.

Allocation for social services is at a low level of 8 to 9 percent of the budget.

Policy Choices before FM

FM needs to take steps in the budget, which helps containing prices and raise demand in the economy. For this, he needs to create suitable atmosphere to encourage investment demand. We have to come out of the mindset that only foreign investment can do well for the country. We have problem of lack of infrastructure in the country. Road construction projects are almost stalled, due to many reasons (not generally related to finance). No significant capacity is being added in electricity production. Speed of irrigation projects is also very slow. There is shortage of warehousing and cold storages. On the one hand, FM needs to allocated funds for these projects, and make innovative efforts to offer judicious tax-subsidy scheme to encourage private investment for these sectors. Encouragement to infrastructure investment brings two pronged benefits, as it adds to demand and it encourages development too.

Recently published results of a survey indicate at worrisome situation of malnutrition and hunger. Despite introduction of food security bill, the policy makers themselves are questioning its practability. There is absolutely no attempt from the government to raise allocation for social services like health and education and for the last one decade, allocation for social services is at a low level of 8 to 9 percent of the budget. Due to indifference of the government, towards social services, human development is being disrupted. If the situation continues like this, this may spoil our development dreams as well. FM should allocate at last 10 percent of his budget on social services, giving top priority to education and health. ❑❑

Why Chinese PLA must be laughing on Vodafone judgment

The Hutch-Vodafone experiences demonstrate that the issue is not merely one of taxation arising out of Hutch's exit from India. But it is a question of how we allowed Hutch to enter India in the first place, especially given the links between the Hutchinson Group and the Chinese PLA. Will someone answer, asks **M.R Venkatesh***?*

Vodafone judgment has sought of set a precedent. It clearly is talng point across the globe, and it could reflect some key points across nations like China that was caught in a similar situation.

Smiling tiger may look friendly but is very dangerous." That is how an US Senate Committee Chairman, Senator Fred Thompson said about China Resource Enterprise (CRE). In its investigation into China's attempts to influence the 1996 US presidential campaign, the Committee identified CRE as a conduit for "espionage - economic, political and military for China." Incidentally CRE is owned by the Chinese army, the PLA.

Another company– COSCO owned by PLA was criticised by the same report for shipping Chinese missiles, missile components, jet fighters and other weapons technologies to nations such as Libya, Iraq, Iran and Pakistan.

The report has also identified, Wang Jun, an arms dealers who is the head of China's Polytechnologies Company, the international outlet for Chinese weapons sales. Jun incidentally was also in the Board of CITIC — the China International Trust and Investment Corporation, the chief investment arm of the Chinese central government.

Jun's fellow CITIC Board member is Li Ka Shing, chairman of Hutchison Whampoa Ltd — yes the very same company that sold its telecom business interests in India to Vodafone.

It may be recalled that the Order of the Hon'ble Supreme Court in January 2012 ruled that there was no liability to capital gains tax on the USD 12 Billion deal in India. While that may bring laughter to Li Ka Shing and by extension to Hutchinson Whampoa Limited, why should the PLA be laughing?

Raising the Iron Curtain

But first- who is Li Ka Shing, the owner of Hutchinson Whampoa? The company's website points out that he is the Chairman of Hutchison Whampoa Limited having business operations in 53 countries around the world and employs about 260,000 staff.

In Hong Kong alone, the group includes eight listed companies with a combined market capitalisation of approximately HKD747 billion (31 December 2011). Hutchison incidentally is a Fortune 500 company.

Further, it elaborates that Li's story was a typical rag to riches story. Presently his business interests encompass diverse areas as property development, hotels,

telecommunications and e-commerce, finance and investments, retail, ports and related services, energy, infrastructure projects and materials, media and biotechnology.

Well that sounds absolutely incredible but in order. So what is disturbing about Li? That requires some elaboration.

"Li is reputed to have a close business relationship with key figures in Beijing," stated an August 1999 cable from the American Embassy in Hong Kong.

It adds "Li is a leading member of Hong Kong's ethnic Chinese business elite, a tycoon who is no democrat. This fact is reflected in his recent claim that he canceled a HK$10 billion (USD1.3 billion) project because of the unfavorable business climate created by Hong Kong's politicised (more democratic) business climate."

It may be interesting to note that an article in Newsmax.com by Charles R Smith in 2002 profiles the Hong Kong based billionaire.

According to Smith declassified documents from the US Commerce Department, defines Li Ka-Shing "as a very special man in Beijing, Washington and Hong Kong."

Smith states that there is "overwhelming evidence to support the assertions that Li Ka-Shing is part of the communist Chinese government.

According to documents obtained using the Freedom of Information Act "Li's relationship with senior PRC officials is very strong."

Li, according to the article is also is directly in business with the Chinese military through its vast empire of front companies such

as weapons maker Poly Technologies Inc. This was documented in a 1997 Rand Corporation Report on the Chinese military industry.

According to this report, "Hutchison Whampoa of Hong Kong, controlled by Hong Kong billionaire Li Ka-Shing, is also negotiating for PLA wireless system contracts, which would build upon his equity interest in Poly-owned Yangpu Land Development company, which is building infrastructure on China's Hainan Island."

The Rand report noted that CITIC had acted as a front for Poly Technologies Inc., the arms manufacturer owned directly by the Chinese army. "CITIC does enter into business partnerships with and provide logistical assistance to PLA and defense-industrial companies like Poly," noted the report.

"Throughout the 1980s, Poly sold hundreds of millions of dollars of largely surplus arms around the world, exporting to customers in Thailand, Burma, Iran, Pakistan, and the United States," writes Smith.

Li Ka-Shing is also alleged in this article to be part owner of a firm involved in the illegal transfer of missile technology to the Chinese army.

The Commerce documents show that Li owns one-third of Asia Satellite Telecommunications Holdings, or AsiaSat. According to Aviation Week and Space Technology, AsiaSat is also partly owned by the Chinese army.

AsiaSat satellites regularly carry "military communications" traffic for PLA units and Chinese military-owned companies.

The power of Li in manipulating international deals is legendary and well documented. In 1996 when the Panama wanted to auction the rights to manage the canal to Hutch, the Chinese Government is reported to have loaned USD 400 million to Hutchinson.

Why? It may be noted that

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AsiaSat satellites regularly carry "military communications" traffic for PLA units and Chinese military-owned companies.

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there is strategic intent for the Chinese in controlling Panama Canal. Consequently, there are three major national security concerns for the Americans arising out of this arrangement.

These include; possible covert Chinese spying activities, strategic denial in the case of a serious conflict between China and the US, and strengthened Chinese political power that could threaten US national interests.

Well did the Americans not protest this development? William J Hughes, the then US ambassador to Panama, and Senator Trent Lott objected to the 'unorthodox' bidding process and called for an investigation, but in vain. Did I not tell you that Li was a special man across continents?

Similarly, the US Congressional Record, V. 145, Pt. 20, November 4, 1999 to November 16, 1999 notes that Li was one of the most trusted allies of Communist Chinese, well before they took over Hong Kong.

Similarly, his relationship with the Chinese rulers since Deng Xioaping till date with the present one is also well known. That explains why he is on the Board of CITIC in first place!

Lax Legislature, Incompetent Executive, Liberal Judiciary

Interestingly, Hutch was one of the first investors into India into the telecom business in India in 1992 when the said group invested in an Indian joint venture vehicle by the name Hutchison Max Telecom Limited (HMTL).

The reason for the same is obvious — Telecom is not yet another business — but it is a strategic business, especially for forces not inimically disposed towards India.

That takes us to the most important question do we have a mechanism to regulate FDI into India? While we have opened FDI through the automatic route subject to "sectoral caps" we do not have any mechanism to monitor the quality of FDI into India.

For those who do not fall into the automatic route or seek to have investments above the sectoral cap we have "The Foreign Investment Promotion Board (FIPB)" which offers a single window clearance for proposals on FDI.

Being a promotional Board, the FIPB, by its very design does not seek to regulate FDI. Consequently, it is an ineffective body, nothing more. Needless to emphasise nothing meaningful emerges out of it.

Has the time come for a Foreign Investment Regulation Board (FIRB) to regulate the quality of FDI into India?

Well as the Hutch-Vodafone experiences demonstrate, the issue is not merely one of taxation arising out of Hutch's exit from India. But it is a question of how we allowed Hutch to enter India in the first place, especially given the links between the Hutchinson Group and the Chinese PLA. Will someone answer?

Remember that all I have stated about Li and Whampoa are available in the public domain and extracted within a few hours of surfing the Internet. So questions arise - did the government not know about it? Disturbing if they were oblivious to all this. Equally disturbing if knew but chose not to act.

Similarly questions arise their how financial assistance were provided (all legally and in broad daylight) by Hutch to some of its financial partners which apparently falls within the broad FDI norms while violating them in spirit.

No wonder when Hutch exited India, earned humungous profits and ended up without any liability to Indian tax, the Chinese PLA must have been laughing to death. And why not after all we have lax legislations, lethargic executive and a liberal judiciary. With such a potent combination do we need enemies?

Well by implication through the FDI route the Chinese Army entered India as Hutchinson. They came right into our bedrooms. We did not notice it. On the contrary we celebrated.

We repeatedly pointed out all this as success of our liberalised policies and globalised economy. They operated without any let or fear. We gave them tax breaks for their operational profit under our Income-Tax Act.

We hailed such investment-infrastructure friendly tax-regime. As they existed the Supreme Court tells us that under the extant law taxing such capital gains would be tantamount to handing a capital punishment to capital investments!

Under these circumstances, that by definition makes India a banana republic. Isn't it? ❑❑

http://www.rediff.com/business/report/special-mrv-why-chinese-pla-must-be-laughing-on-vodafone-judgment/20120222.htm

Remembering Thengadi ji

This is an effort to recollect and document life of Rashtra Rishi Dattopant Thengadi, as experienced by his colleagues, friends, followers and associates. Saroj Mitra has had a long and cherished association with Rev. Thengadi ji. Saroj Da, as he is known , has begun by recollecting his memorable incidents that he can remember. There are many more people of all age groups who will fondly remind their interaction with this one of the greatest personality of Independent India. We request every such person to contribute to this effort by sending their memoirs of Thengadi ji. **Editor.**

(November 10, 1920 – October 14, 2004)

In the year 1968, Revered Dattopant Thendagi, then a member of Rajya Sabha returned from a tour of Union of Soviet Socialist Republics (USSR) and Hungary along with other Members of the Parliament led by Neelam Sanjeeva Reddy, the speaker of Lok Sabha. The first speech that Manniya Thengadi ji delivered after his return was in a study class of Jana Sangh workers held at Cuttack, Orissa. He spoke about his impression on Russia. How Russia was moving away from fundamentals of communism and how signs of communism in reverse gear were appearing there. He described these impressions by citing certain facts. Not Marx but Lenin got more projection in Russia. Russian nationalism was much in observance, he said.

The largest and deepest fresh sweet water lake in the world Baikal did not signify any meaning in Russian language. The sun rise and sun set occur at Baikal within a very short period of time. This wonderful phenomenon justifies the Indian word 'Baikal'. Baikal or Vaikal in Sanskrit means time just before sunst. Prof. Hiren Mookerjee of CPI who was also in the tour endorsed the same.

After his speech which ended by 10 A.M. Thengadi ji asked me to give a break of ten minutes. At about 10.10 AM everyone assembled in the hall once again and sh.Thengadi ji started his speech. Subject was Indian polity and its foundations etc. By 11.10 AM his speech was over and Thengadi ji asked me to give another twenty minutes' break for tea. Accordingly participants were asked to take tea and re-assemble by 11.30 AM. Thengadi ji continued his speech till 1.00 PM. His was a brilliant analysis of western and Indian or Hindu paradigms. Every body was spell bound. After lunch Thengadi ji was requested to speak at the closing function of study class. In his concluding remarks he urged participants to march forward under the leadership of Atal Bihari Vajpayee, then President elect of Jan Sangh . Vajpayee ji had assumed office after the tragic demise of Pt. Deendayal Upadhyay in 1968. At 4.00 p.m. local sakha of RSS arranged a meeting where Thengadi ji spoke again and by 5.30 p.m. he left for Railway Station to board the train. One senior Advocate Sunil Ghosh, who told me that during his school days he was a volunteer under Subhash Chandra Bose at Cuttack which is Netaji's birth place, but had never came across such a genius as of Thengadi ji. Such was the persona of Dattopant Thengadi. He spoke practically for whole day and his exposition of the variety of subjects was unbelievably impressive. ❑

Saroj Mitra *(All India Co-convenor of Swadeshi Jagaran Manch)*

The List of Swadeshi-Videshi Commodities

Product Name	Swadeshi Product - Use
Bath Soaps	Sintoor, Nirma, Savstik, Maisoor Sandal, Vipro-Sikakai, Madimix, Ganga, Synthol & Home Products etc.
Deterzen Soaps	Nirma, Aankto, Vimal, Hepolin, T-Series, Dait, Fena, Ujala, Shudh, EG, Ghadi, Gentle, Manjula and Home Products etc.
Beauty Products	Tips & Toj, Shrangar, Synthol, Santoor, Emami, Boroplus, Tulsi, Viko, Termaric, Arnika, Hair and Caire, Hemani, Perashoot, Faim, Kedila, Sipla, Dabar, Franki, Efka, khandelwal, Torant Farma, Unicum, Jhandu Farma, Himalya, Maharishi Ayurved, Balsara, J.K. Dabur, Jhandoo, Sandoo, Vaidhnath, Himalya, Bhaskar, Borolin, Bajaj Sevashram, Kokoraj, Move, Creck Cream, Park Avenue and Home Products etc.
Toothpaste	Babool, Promise, Viko, Ankar, Dabar, Misvak, Ajay, Harbodent, Ajenta,Garwary, Brush, Clasical, Egle, Bandarchhap, Vaidhnath, Emami and Home Products etc.
Shaving Cream/ Eraser	Godrej, Emami, Super, Super-Maix, Ashok, V-Zon, Topaz, Premium, Park Avenue, Lazer, Vidhut, J.K. and other Home Products etc.
Bisket, Chocklete Milk's Products	Nutrin, Shangrila, Champion, Ampro, Parle, Sathe, Bekman, Priya-Gold, Monaco, Krackjack, Gits, Shalimar, Pairy, Rawalgaun, Clasical, Amul, Nutramul, Vijaya, Indana, Syfal, Asian, Verka, Madhu, Mahan, Gopi, Himghi, Vita & other Home Products etc.
Tea, Coffee	Girnar, Tata-Tea, Asam-Tea, Society, Dankan, Brahmputra, Tej, Tata Cafey, Tata-Tatli and other Home Products etc.
Cold Drink	Guruji, Oanjus, Jampin, Nero, Pingo, Fruity, Aswad, Dabur, Mala, Rajars, Besleri, Rasna, Humdard, Mepro, Rainbo, Culvart, Cetemblika, Ruhafja, Jai Gajanan, Haldiran, Gokul, Bikaner, Vekfield, Noga, Priya, Ashok, Mothers Resapi, Uma, H.P.M.C Product, Him & other Home Products etc.
Ice-Cream	Amul, Himalya, Nirula, Mother Dairy, Vinde, Verka and other Home Products etc.
Food Oil, Food Products	Maruti, Postmen, Dhara, Roket, Ginne, Swikar, Kornela, Rath, Mohan, Umang, Vijaya, Span, Perashut, Ashok, Sphola, Kohinoor, Madhur, Engine, Gagan, Amrit, Vanaspati, Ramdev, MDH, Avrest, Bedakar, Sahkar, Lijit, Ganesh, Shaktibhog Aata, Tata Salt and other Home Products etc.
Electrical Product, Home Use Product/ Watch	Videocon, BPL, Onida, Slora, ET&T, T-Series, Nelco, Westen, Uptron, Keltron, Kosmic, TVS, Godrej, Crawn, Bajaj, Usha, Polar, Ankar, Surya, Orient, Sinny, Tullu, Crompton, Lyads, Blu Star, Wholtas, Cool Home, Khaitan, Eveready, Jeep, Novino, Nirlep, Elight, Jaico, Titan, Ajanta, HMT, Maxima, Alvin Ghadi, Bengal, Maisure, Hawkins, Prestige, Pressure Kukar and other Home Products etc.
Write's Product	Giflo, Wilson, Kaimlin, Rehwlan, Rotomac, Cello, Estic, Chandra, Montex, Camel, Bittu, Plato, Triveni, Flora, Apsra, Natraj, Hindustan, Lotus, Cammy, Link and other Home Products etc.
Shoes, Chappal, Bootpolic	Lakhani, Liberty Standard, Action, Paragon, Flash, Crona, Welcome, Rexona, Lotus, Red-Tep, Phenix, Vayking, Billi, Karnoba, Kiwi Shoe Polish and other Home Products etc.
Readyment Cloths	Maphatlal, Trende. Cambriz, Duble Wool, Jhodiak, Arvind Denim, Don, Prolin, TT, Lux, Amul, VIP, , Rupa, Raymond, Park, Avenue, Altimo, Newport, Killer, Fling Machine, Dux, Kolkata, Ludhiana and Tripura

The List of Swadeshi-Videshi Commodities

Product Name	Videshi Product - No Use
Bath Soaps	Lux, Liril, Lifebuoy, Piyers, Rexona, Humam, Jai, Moti, Caime, Dev, Ponds, Pamolive, Jonson, Clearcil, Detol, Lesansi, Jesmin, Gostmist, Lakmay, Amway, Kwantum, Margo.
Deterzen Soaps	Sunlight, Wheel, Ariel, Check, Duble, Trilo, 501, OK, Key, Rebail, Amway, Kwantum, Serf, Excel, Rin, Vimbar, Robin Blue and other products of Hindustan Liver Ltd.
Beauty Products	Johnson, Ponds, Old Spice, Clearcil, Brilcream, Fair & Lovely, Velvet, Medicaire, Lavender, Nicil, Shawar to Shawar, Kyutikura, Liril, Lakmay, Dainem, Organix, Painten, Roots, Head & Sholder, Amway, Kwantum, Clinic, Nihar, Coco Caire, Gluxo, Newrights.
Toothpaste	Colget, Siwaka, Closeup, Pepsodent, Segnal, Maclins, Prodent, Amway, Kwantum, Akwa Fresh, Neem, Oral-B, Forhuns.
Shaving Cream/ Eraser	Pumolive, Old Spices, Niviya, Ponds, Playtinum, Zelet, Seven-O-Clock, Vilmen, Viltage, Erasmic, Swis, Lukmay, Danim.
Bisket, Chocklete Milk's Products	Britania-Good day, Tiger, Marry, Neslay, Kedvary, Bornvita, Horlix, Boost, Milkmade, Kissan, Maigi, Phairex, Anixpray, Complaign, Kitket, Charge, Eklayer, Modern Bred, Britenia Bread, Maltoa, Hiwa, Mylo.
Tea, Coffee	Bruck Brand, Tajmahal, Red-Level, Daymond, Lipton, Green Level, Tiger, Nescafe, Neslay, Delka, bru, Sunrise, three flowers.
Cold Drink	Layer, Pepsi, 7-up, Mirenda, Team, Coca-Cola, Mecdowel, Magola, Goldsport, Limca, Citra, Tumps-up, Sprit, Dux, Fenta,Kedvery, Kenda dry, cresh.
Ice-Cream	Kedvery, Dalop, Nice, Product's Brook Brand, Quality Wals, Baskin-Robins, Yanki-dudals, Carnetto.
Food Oil, Food Products	Dalta, Cristal, Lipton, Anpurna Salt, Aata and Chapati, Magi, Kisan, Tarla, Brook-Brand, Pilsbari Aata, Capton Coock Salt and Aata, Modern Chapati, Kargil Aata.
Electrical Product, Home Use Product/ Watch	GIC, Philips, Sony, TDK, Nippo, National-Penosonic, Sharp, GE, Whoolphool, Samsung, Devu, Toshiba, LG, Hitachi, Thamson, Electrolux, Aky, Sansui, Kenwood, Awa, Alwin Freeze, Career, Konka, taperwayer, Japan Life, Omega, Timex, Rado.
Write's Product	Parker, Paylet, windser-nutton, feber-caicel, lugzer, vik, mat-black, Koras, As, Rotring.
Shoes, Chappal, Bootpolic	Bata, Fluma, Power, Chairy-blasm, Aadidas, Rebok, Nike, Lekooper, Gaisolen.
Readyment Cloths	All product of Lee, Peter England, Berlington, Aro, Lacost, Sonphisco, Colourplus, Hawan Husan, Lui Philip, Levis, Paipe Jins, Renglar, Benaton, Red & Tayler, Alen Sali, Boyford.

This List is published on demand from the Readers.

Trai for 74% FDI restrict on tower cos

The telecom regulator has suggested lowering the foreign straight assets cap on telecom tower companies to 74%. At present, 100% foreign direct investment is allowed in tower companies but Trai wants to lower this limit and bring it on a par with other telecom services, which are subject to a 74% cap.

"We plan to bring all forms of telecom services under a unified licence regime. Existing infrastructure providers would be required to take new unified licences as soon as they come into being & the conditions in the unified licence will apply to tower companies too," said an official of the Telecom Regulatory Authority of India (Trai).

The 74% foreign investment cap for tower companies is part of the draft rules framed by Trai, which were shared with both the industry and the telecom department. The regulator has asked the industry to specify the maximum time frame that should be given to comply with the new foreign investment cap.

Trai wants the new cap to be part of the revised rules for the sector – the National Telecom Policy 2012 - which will replace the existing framework that has been in place for more than a decade. ❑

Centre switches to lower gear over NCTC

The Government finally decided against operationalising the National Counter-Terrorism Centre (NCTC) from March 1, as scheduled, with Chief Ministers of 10 States, including the Mamata Banerjee-led Bengal, opposing it.

The climbdown comes after Union Home Minister P Chidambaram, on Prime Minister Manmohan Singh's directive, wrote to the 10 CMs, seeking to allay their apprehensions and assuring them that a meeting of all State DGPs would be called for a thorough discussion.

Appointments of the director and three joint directors of NCTC have also been put on hold. Before that, the Home Secretary will invite Chief Secretaries and Home Commissioners of all States, along with DGPs and heads of anti-terror organizations, for a meeting to "discuss in detail the scope and functions of NCTC", according to Home Ministry sources.

Despite ever-increasing opposition from the States, the Home Minister had - while inaugurating the NSG hub in Bengal on February 18 and then again in his letter to the Chief Ministers - sought to drive home his point that countering terrorism was constitutionally a shared responsibility between the Centre and States.

Apart from fears of hurting the federal structure, CMs had complained to the Prime Minister that NCTC was being set up without any consultation with State Governments, which was unacceptable.

SC forms panel for river-linking

The Supreme Court has directed the Centre to set a timeframe for completion of the project to link major rivers of the country and set up a high-powered committee to go into all its ramifications. The Centre had been dragging its feet on the proposal first mooted by the NDA Government in 2002. The idea was mooted by former President APJ Abdul Kalam during his Independence Day speech, which was followed up by then Prime Minister Atal Bihari Vajpayee, who constituted a Task Force on December 13, 2002 to prepare a feasibility report.

The apex bench of Chief Justice SH Kapadia, Justices AK Patnaik and Swatanter Kumar admitted that implementing the project was not a judicial function but a legislative one. However, the bench constituted a high-powered committee under the Ministry of Water Resources to study the status, monitor progress of every single link under the project and recommend to the Centre for its timely execution.

Justice Swatanter Kumar, who wrote the detailed judgement outlining the composition and functions of the said committee, said, "At the initial stage, the programme may not involve those States which have sufficient water and are not substantially involved in any interlinking of river programme and the projects can be completed without their effective participation." At the same time, the court added, "However, the committee may involve any State for effective completion of the programme at any subsequent stage."

CBI registers case on BSNL-WiiMax franchise deal

The CBI has registered a fresh case in connection with alleged irregularities in awarding BSNL's Wiimax franchise to a private firm, considered close

PC snubbed officers to help 2G scamsters

Fresh evidence of Home Minister P Chidambaram's role in the 2G scam surfaced in the Supreme Court when noted lawyer Prashant Bhushan submitted extensive documents seeking a thorough CBI probe into Chidambaram's alleged complicity in spectrum allocation during his tenure as Finance Minister.

The new documents submitted by Bhushan showed that Chidambaram not only consented to jailed former Telecom Minister A Raja's designs, but he also overruled and snubbed the objections raised by top Finance Ministry officials, who tried to prevent the 2G spectrum scam.

The new documents, mostly communications of Finance Ministry, could be damning for Chidambaram. The communication between top officials of Finance Ministry reveal that they fought for more than five months, demanding intervention and cancellation of Letters of Intent (LoIs) issued by Raja on January 10, 2008.

A May 28, 2008 note prepared by Finance Secretary D Subbarao to Chidambaram said, "It is legally and administratively tenable to impose a two-part tariff for spectrum: a fixed, one-time "upfront" spectrum price for allowing the allottees of spectrum to use a public resource for private profit; and a recurring usage charge, whereby Government shares the profits accruing to the operator." ❑

to ex-Telecom Minister A Raja, and carried out searches across four cities.

Nine teams of CBI officials searched the residences of Bharat Sanchar Nigam Limited (BSNL) officials and the officials of Starnet, the alleged beneficiary which got the franchise, in Delhi, Kolkata, Chennai and Gurgaon, CBI sources said. It is alleged that Starnet Communication was given letter of intent for the WiiMax franchise of BSNL for its six circles despite the fact that it was not eligible for the same and fudged its balance sheet to grab the deal.

The eligibility conditions stipulated that the company should have a turn over of Rs 100 crore and above which was allegedly achieved by manipulation in the balance sheets by Starnet, the sources said. The anti-corruption watchdog Central Vigilance Commission has also found alleged irregularities in the allotment of franchise to Starnet.

GDP growth slows to 6.1%

India's economic growth slowed to its weakest annual pace in almost three years in the three months to December, as high interest rates and rising input costs constrained investment and manufacturing. GDP rose 6.1 percent in October to December compared with a year earlier, a lower than expected increase, figures from the federal statistics office showed.

That marked a sharp pullback from 6.9 percent growth in July to September and was the seventh successive quarterly slowdown, providing a gloomy backdrop for a central bank policy meeting and federal budget, both due in just over two weeks. The median forecast of economists in a Reuters poll was for GDP to rise 6.4 percent. The outcome of 6.1 percent was the weakest in 11 quarters.

Growth in Asian economies is expected to slow down further in the first quarter of calendar 2012, suggesting that India may feel more economic pain in the months ahead. China's January to March growth is forecast to drop for the fifth straight quarter.

Govt approves buyback of PSU shares

Hard pressed for funds, the government approved the proposal for expediting disinvestment through the buyback route under which blue chip state-owned companies will buy its stake.

The decision to allow Public Sector Undertakings (PSUs) to buyback shares was taken by the Cabinet headed by Prime Minister Manmohan Singh, sources said.

The proposal will allow the government, which has not been able to reach anywhere near the disinvestment target of Rs 40,000 crore in 2011-12, to raise funds by selling its stake in the PSU to the same undertaking. The government till date it has been able to raise only Rs 1,145 crore from PFC. Its sale of stake in ONGC through the auction route may fetch another Rs 12,000-13,000 crore.

Market regulator Securities and Exchange Board of India (Sebi) had earlier relaxed norms for buyback of shares and dilution of equity by companies. The new norms would help the companies to complete the process of selling shares within days against the normal process which can take months. ❑❑

Iran to export 80K barrels of oil to Pak

Pakistan, which is going ahead with a bilateral gas pipeline with Iran despite the US pressure, has said that Tehran has agreed to provide USD 250 million for the project and export 80,000 barrels of crude oil a year to this country. Petroleum Minister Asim Hussain told a Parliamentary committee that Pakistan had sought USD 500 million for the pipeline but Iran agreed to provide only 250 million dollars. He also said that Iran had agreed to export 80,000 barrels of crude oil a year to Pakistan.

A Pakistani delegation would visit Tehran in mid-March to discuss and finalise details related to the project. The tender for building the pipeline would be issued next week, the minister said. Despite pressure from the US not to go ahead with the pipeline following sanctions on Iran by Western powers, Pakistani leaders, including President Asif Ali Zardari, had said they were committed to the project as it was necessary to meet the country's burgeoning energy needs. Russia had reportedly shown interest in constructing the pipeline. ❑

China's unsustainable growth model

A report prepared by World Bank in coordination with Chinese experts said China has reached a "turning point" in development but it could still emerge as the world's largest economy before 2030 if it carried structural reforms. Summing up the exhaustive report on the future of Chinese economy by 2030, Vice Minister for Development Research Centre of the Cabinet, Liu Shijin, said the China's economic growth rate will decrease to five to six per cent by 2035.

It represents "quite a marginal decrease for China at the current stage, which is already at a high stage of growth rate compared to any country in the world in the future", he told a high-level conference where the report titled 'Development for modern harmonious and creative society: International Experiences and China's strategic choices' was released.

The Conference was attended among others by top Chinese Ministers, World Bank President Robert B Zoellick and B K Chaturvedi, Member, Indian Planning Commission. The report said by any standard, China's economic performance over the last three decades has been impressive as GDP growth averaged 10 per cent a year, and over 500 million people were lifted out of poverty.

India, 22 nations to retaliate EU move

Faced with European Union's decision to impose a carbon tax on all flights operating on its skies, India and 22 other countries, including Russia, China and the U.S., have decided to retaliate with a series of measures which would impose heavy costs on European airlines and plane manufacturers.

A joint declaration to this effect was unanimously adopted at a meeting of these countries in Moscow, which asked the E.U. & its member States that they "must cease application of the Directive 2008/101/EC to airlines/aircraft operators registered in third States." Through the directive, the E.U. has included all flights operating on its skies in the Emission Trading System (EU ETS) for payment of the carbon tax for CO2 emission. The directive has been effective from January this year.

Indian carriers that fly to Europe — Air India, Jet Airways and Kingfisher — may end up having to pay millions of dollars annually on this count as it requires them to pay 15 per cent of the cost of compensating for the CO2 (carbon dioxide) emitted during landings or take-offs from Europe.

Sistema seeks investment protection

Russian conglomerate Sistema says that it has approached the Indian government seeking protection of its USD 3.1 billion investment and plans to file a petition for review of the Supreme Court order cancelling its pan-India 2G licences. Sistema has a joint venture with India's Shyam Group — Sistema Shyam Teleservices (SSTL) — in which the Russian government also has a stake of 17.14 per cent.

"...cancellation of SSTL's licenses following Sistema's investment of billions of dollars into the Indian cellular sector is contrary to India's obligation under the Bilateral Investment Treaty (BIT) including obligations to provide investments with full protection and security and obligations not to expropriate investments," Sistema said in a statement.

SSTL President and CEO Vsevolod Rozanov said the company would contest the SC order by filing a review petition within this week to protect its investment of USD 3.1 billion.

The Russian parent company, which has a majority shareholding of 56.68 per cent in SSTL, has "invoked its right under Article 9.1 of the BIT signed between the Government of the Russian Federation

Red Corner Notice against Musharraf

Pakistani authorities have sent a formal request to Interpol to issue a Red Corner Notice for former military ruler Pervez Musharraf, currently living outside the country in self-exile. The move was taken so that he can be arrested and brought back to the country to face trial in connection with the assassination of Benazir Bhutto.

The Federal Investigation Agency yesterday sent the request to the Director of Interpol in Pakistan, official sources said. FIA Special Prosecutor Mohammad Azhar Chaudhry confirmed to the media that the process to bring Musharraf back to Pakistan had begun. Interior Minister Rehman Malik last week announced that the government would bring Musharraf back to face trial for his alleged failure to provide security to former premier Benazir Bhutto at the time of her assassination in 2007 despite being aware of threats to her life.

Musharraf has been declared a "proclaimed offender" or fugitive by an anti-terrorism court conducting the trial of seven persons accused of involvement in the assassination. The court also directed authorities to seize Musharraf's assets and to freeze his bank accounts. ❑

and the Government of India for the promotion of mutual protection of investment...which came into force on August 4, 1996."

US mounts pressure on India, China

United States is having "very intense and very blunt" conversations with India, China and Turkey on reducing their dependence on Iranian oil, secretary of state Hillary Clinton has told lawmakers. Clinton, testifying before a congressional committee on Tuesday, said the US is asking these countries to take specific measures that would reduce their dependence on Iranian oil adding. But, without naming one, she did acknowledge that this would be a bit tough for some countries.

"With respect to China and Turkey and India, we've had very intense and very blunt conversations with each of those countries. I think that there are a number of steps that we are pointing out to them that we believe they can and should make," Clinton said while responding to questions from Senator Robert Menendez. Clinton added that the Japan, which lost much of their electricity production because of the earthquake and the Fukushima nuclear power plant meltdown, had reduced their imports from Iran in the range of 15 to 20 per cent since last year and is looking for new suppliers.

China may grab Indian territory

China may resort to territorial grabs, including through a "major military offensive", especially in Arunachal Pradesh or Ladakh in Jammu and Kashmir, and India should respond with "a strategy of quid pro quo", says a report by an independent group of Indian analysts.

"Our frontiers with China have been mostly stable for some years now. However, China could assert its territorial claims (especially in the Arunachal sector or Ladakh) by the use of force," says the report that seeks to outline a foreign and strategic policy for India in the 21st century.

"There is the possibility that China might resort to territorial grabs. The most likely areas for such bite-sized operations are those parts of the Line of Actual Control where both sides have different notions of where the LAC actually runs. These places are known," says the report.

The report contends that India can't "entirely dismiss the possibility of a major military offensive in Arunachal Pradesh or Ladakh". The report entitled "Non-Alignment 2.0: A Foreign and Strategic Policy for the 21st century", was unveiled at a panel discussion at Hotel Ashok in which National Security Adviser Shiv Shankar Menon and his immediate predecessors M.K. Narayanan, currently West Bengal governor, and Brajesh Mishra participated.

The debate on India's options in dealing with an emerging China, among other things, has coincided with the two-day visit of Chinese Foreign Minister Yang Jiechi to India. The report goes on to say that in case of a military offensive or territorial grab, India will need "a mix of defensive and offensive capabilities" to restore the status quo ante.

Fresh violence erupted in Maldives

Fresh violence erupted in Maldives including inside the parliament that was scheduled to open with supporters of former President Mohammed Nasheed attacking the police and preventing President Mohammed Waheed Hassan from making his opening address. Nazim Sattar, Nasheed's younger brother has been arrested along with 17 other protesters. ❑❑

India requests consultations with Turkey

India has launched a trade complaint against Turkey's policies on imports of cotton yarn. India is objecting to Turkey's use of "safeguard measures" to help its cotton industry, which could affect Indian exports worth around $600 million per year.

Safeguard measures are temporary protectionist tariffs, permitted by WTO rules, to help a specific industry that is threatened by an unexpected surge of imports. India launched the complaint by "requesting consultations" with Turkey at the WTO, the last step to resolve a disagreement before entering a full-fledged legal dispute.

India may ask the WTO to set up a dispute panel to adjudicate if consultations do not settle the matter within 60 days. By requesting consultations, India has also opened the door for other WTO members to join in if they are similarly unhappy with Turkey's treatment of cotton yarn imports. Turkey brought in the safeguard measures in 2008 for three years, but when the three years expired in July 2011, Turkey imposed provisional safeguard measures while it reviewed the case for an extension, the Indian official said. (WTO website)

Ukraine initiates anti-dumping investigation on citric acid

Ukraine has initiated an anti-dumping investigation on citric acid originating in the People's Republic of China. The product under investigation is classified under HS code 2918 14 00 00. The Ministry of Economic Development and Trade registers interested parties until 27 February 2012 and considers commentaries regarding initiation of the investigation until 27 March 2012.

Russia to help Belarus at WTO

Russia will help Belarus to complete the WTO accession talks faster, Ambassador Extraordinary and Plenipotentiary of Russia to Belarus Alexander Surikov told a video briefing to discuss Belarus-Russia cooperation prospects in 2012. The ambassador underlined that Belarus and Kazakhstan will be able to complete the WTO accession talks faster with the help of Russia that has recently joined the organization. "It is obvious that our efforts will help Kazakhstan and Belarus to conclude all the stages of the talks faster to become WTO members," Alexander Surikov said. "We will provide assistance, our negotiators will take part in the talks," he said.

The diplomat agreed that there will be some negative consequences for the countries. "Yes, indeed, there will be negative consequences. WTO accession will be good for the raw materials industry. It will benefit Kazakhstan which economy is dominated by this industry. Belarus' raw materials industry is insignificant, therefore, there will be some negative consequences," the ambassador said.

WTO ruling 'unfair', says China

Niu Qingbao, China's Consul-General in Mumbai, has defended his country's restrictions on export of several industrial raw materials and termed the decision of the WTO's Appellate Body against it 'unfair'.

The U.S and several other countries, including India, Mexico and Brazil, recently won their battle against China at the WTO on export of raw materials. In a ruling, the WTO Appellate Body found China's restraints on export of industrial raw materials, used as key components in steel, aluminium and chemicals industries, to be inconsistent with China's WTO obligations.

The Appellate Body affirmed a WTO dispute settlement panel's July, 2011, finding, agreeing with the U.S. and rejecting China's attempts to portray its export restraints as conservation, or environmental protection measures, or measures taken to manage critical shortages of supply. Mr. Qingbao said China had every right to protect its environment. "I think India and China have a common ground, and at least we should have a common ground" with regard to economic aspects. You (western countries) cannot say that you (China) have natural resources and give it to me."

EU oilsands policy could spark trade complaint

Canada has threatened the European Union with action at the WTO if the bloc's plan to classify oilsands crude as more harmful to the environment than other fuels goes ahead. David Plunkett, the ambassador to the EU, wrote in a December letter to the bloc's commissioner for climate action that "Canada would not accept oilsands crude being singled out."

"Canada will explore every avenue at its disposal to defend its interests, including at the World Trade Organization," Plunkett wrote in the letter to Connie Hedegaard, dated Dec. 8, 2011. The letter was obtained by the Friends of the Earth Europe, a non-profit think-tank based in Brussels, through freedom of information laws and given to CBC News. ❑❑