

Vol-16, No. 2
Magha- Phalgun 2067 February 2011

EDITOR
Ajay Bharti

PRINTED AND PUBLISHED BY:
Ishwardas Mahajan on behalf of **Swadeshi Jagaran Samiti**, 'Dharmakshetra', Sector-8, R.K. Puram, New Delhi-22,

COVER & PAGE DESIGNING
Sudama Bhardwaj

EDITORIAL OFFICE
'Dharmakshetra' Sector-8, Babu Genu Marg, R.K. Puram, N. D.-22
E-MAIL : swadeshipatrika@rediffmail.com
WEBSITE : www.swadeshionline.in

LETTERS 2

NEWS NATIONAL 32



INTERNATIONAL 33



WTO 36

CONTENTS

COVER ARTICLE 4

Zero tolerance, secret billions

S. Gurumurthy



10 COVER STORY-II

Corruption and the Common Man's Woes

..... **Ashwani Mahajan**

12 2G SCAM

Sibal's 2G scam defence: Is the PM his target?

..... **M.R. Venkatesh**

16 COUNTER VIEW

Don't mix politics with business

..... **Bharat Jhunjunwala**

18 FOCUS

A NEW JOURNALISM IS BORN

..... **D.G. Bokare**

21 VIEW POINT

The Third Alternative

..... **G.K. Ramani**

25 REMEMBRANCE

Remembering Astrophysicist Dr. S. Chandrasekhar

..... **K.S. Iyer**

27 TRENDS

Economic lessons from the first decade of the twenty first century

..... **P. Kanagasabapathi**

30 NEWS-DISSECT

The Moving Pen

..... **Kashmirilal**

Honesty burnt Alive

At a time when Indian Republic was preparing to celebrate the 62nd Republic Day came the horrific news of the killing of the Additional District Collector of district Manmad near Nasik in Maharashtra. The ADC Yashwant Sonawane was carrying the raid on the oil mafia, when the unfortunate incident occurred. The mafia burnt him alive by sprinkling oil on his body. This is indicative of the height of crime and corruption in India. The shameful act also proves that there is another India that is ruled by mafia dons, corrupt politicians, and scamsters. The tragic death of the Collector has bring to fore a reality that how unsafe it is to be honest in India. If this is the fate of a person who commands power, then the fate of a common man who dares to speak against wrong doings in administration or against those who wield money and muscle power can be only imagined. A number of RTI activists who dared to expose the illegal activities of the wrong-doers were either killed or injured in violent attacks. These incidents prove that law-breakers care two hoots for the law-makers and the law of the land. Yashwant Sonawane's death should stir the conscience of the ruling class.

Feeling anguish over the percolation of corruption in the society, and the way it is harming the country, President of India, Pratibha Patil had to highlight this issue in her Republic Day speech. She termed it as "enemy of development and good governance" and sought "systemic changes" to deal with the issue. There seems no end to this vicious phenomenon as corruption continues to surface in one form or other in our society. And people who really become prey to this ugly phenomenon are poor. It does not affect rich and influential. It hurts an honest and a man of integrity. Corruption has complicated the life a man who is upright in his dealings. He is ostracized by the very community he wishes good and prosperity. At home, he is considered a social misfit. In society a social out caste, and earns many nicknames and sobriquets, while as a corrupt is considered -- an intelligent, generous and large hearted. He commands respect and has a social status. The corruption stigma is hurting country's image abroad. If such a situation persists for a long, we would be labelled as a "corrupt country" for ever. Lest that happens, we should cleanse the system for the survival of this sovereign nation.

– Suresh Khajuria, Janipur, Jammu

EDITORIAL OFFICE

SWADESHI PATRIKA

'Dharmakshetra', Sector-8, Rama Krishna Puram, New Delhi-22

■Tel. : 26184595, E-Mail: swadeshipatrika@rediffmail.com

For subscription please send payment by A/c payee Cheque/Demand Draft/
Money Order in favour of 'Swadeshi Patrika' at New Delhi.

Annual Subscription : 100/-
Life Membership : 1000/-

Kindly write your full name and address in capital letters.

If you do not receive any issue of Swadeshi Patrika, kindly e-mail us immediately.

Disclaimer

The views expressed within are those of the writers and do not necessarily represent the views of Swadeshi Patrika. Swadeshi Patrika often present views that we do not entirely agree with, because they may still contain information which we think is valuable for our readers.

Quote-Unquote



Why is Congress not declaring the names of those who have deposited black money in Swiss bank accounts?

Nitin Gadkari

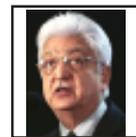
BJP President



The Government is speaking one untruth after another. So I have decided to file a detailed affidavit on the CVC issue.

Sushma Swaraj

Leader of Opposition Lok Sabha



I think the emerging economies are fed up of being needed for opening their economies. This cannot be one-way traffic.

Azim Premji

Chairman of Wipro



India, where they have 1.2 billion people, is really a double market, not just a market for football but for the economy, too. India is a real Power.

Sepp Blatter

FIFA president, on India's chances of hosting the 2026 World Cup.

Is this Honesty, Mr. Prime Minister?

One who condones evils is just as guilty as the one who perpetrates it.— Dr. Martin Luther King

“The urgent need to combat this menace (corruption) cannot be over emphasized. Corruption distorts the rule of law and weakens institutions of governance. It hurts our economic growth in a variety of ways, apart from hindering our efforts to build a just, fair and equitable society”. These words of wisdom were expressed by our worthy PM while talking at the two-day 17th biennial conference of the Central Bureau of Investigation (CBI) and State Anti-Corruption Bureau on August 26, 2009 in New Delhi. Dr. Manmohan Singh added that the "malaise of corruption" should be treated "effectively and immediately" because it was sapping "our efforts to march ahead as a nation". He did not stop there but continued, “The world respects India’s democracy, our plural and secular values, our independent judiciary and a free press, our commitment to freedom and peace and our pursuit of equitable and inclusive growth. But pervasive corruption in our country tarnishes our image to an important extent. It also discourages investors, who expect fair treatment and transparent dealings when dealing with public authorities. As the country grows and integrates with the world economy, corruption continues to be an impediment to harnessing the best of technology and investable resources”. And on January 27, 2011 that is less than two years later the government headed by this ‘honest’ Prime Minister submitted to supreme Court with respect to corruption case against the appointment of P J Thomas as Central Vigilance Commissioner saying a corruption case against him was not placed before the three-member panel headed by Prime Minister Manmohan Singh. "It was not before the committee. The material pertaining to the sanction for prosecution under section 120B of the Indian Penal Code was not before the committee. The bio-data did not reflect this aspect before the committee,” Attorney General G E Vahanvati said. This claim was contested by Leader of Opposition in the Lok Sabha and a member of the selection panel, Smt. Sushma Swaraj, who said she had raised the corruption issue before the Prime Minister and objected to the appointment of Thomas. In an unusual clarification in the afternoon of the same day, the AG told reporters that the committee also including Home Minister P Chidambaram may have discussed the case orally. "I don't know. There are no minutes." This clearly shows that Mr Prime Minister is telling a lie. It is not the only lie he has said. He in fact has been very economical with truth, particularly in his second term as PM.

Dr. Manmohan Singh, who enjoyed more or less an unblemished career as compared to most politicians, is now being regarded as the main protector of the corrupt. As scandal after scandal rocks his government, more and more people including analysts and leaders of his own party are questioning his ability to discipline corrupt colleagues and stop wrongdoing. Although no one has suggested that Singh has personally benefitted from any of the scandals, even some in his Congress Party concede with justification that the sleaze that surrounds him has begun to tarnish his squeaky-clean image. Several surveys conducted in recent weeks show that people conceive him to be weak in his tackling of the numerous scams and corruption cases that the UPA –II is facing. He may be a mask for the real power centre but that does not minimize his crime. He for all practical purposes is heading the government and therefore, is responsible for both the actions taken and also not taken when he was supposed to do something. Instead of taking corrective measures Dr. Singh is seen defending the indefensible. Shielding shamed A. Raja PM said, “In a democracy political squabbling goes on, but that does not mean what the opposition says is always correct.” On the issue of black money parked in Swiss banks Manmohan Singh says there was no instant solution to bring back the black money stashed in foreign banks and stated the compulsion which prevented the government from making public the information due to treaty obligations. This came even after the Supreme Court declared that it was not just limited to tax evasion but a "mind boggling crime" amounting to "theft" and "plunder" of national wealth having security ramifications. There are numberless instances of government shielding the corrupt. The implication is simple that Prime Minister even after being in the position of power and ability to control wrongdoings around him is ignoring corruption. He therefore is as corrupt as the ones perpetuating it. Is not he?

Zero tolerance, secret billions



Government will not deepen the probe to recover the Indian money secreted abroad. If the people who transport through hawala the bribes from India are exposed, the corrupt will stand naked. Because the hawala traders and the corrupt in India are mixed-up, explains S Gurumurthy

What was Rajiv Gandhi's fatal error in politics? It does not need a seer to say that it was his claim to honesty — branding himself as 'Mr Clean' — that proved fatal to him. Indira Gandhi was his contrast. Asked about corruption in her government, she said nonchalantly, 'it was a global phenomenon'. This was in 1983. An honest Delhi High Court judge even lamented how could corruption be controlled when someone holding such a high position had almost rationalised it. The result, no one could ever charge Indira Gandhi with corruption, because she never claimed to be clean. But, ambitious to look ideal, Rajiv proclaimed honesty and so provoked

scrutiny; in contrast, Indira, opting to be practical, immunised herself against scrutiny. Eventually, Rajiv's claim to honesty became the very cross on which he was crucified in the 1989 elections when the Bofors gun shot the Congress out of power. The lesson to the political class was: don't claim to be honest, if you really are not so. The hard lesson seems forgotten now by the Gandhi family itself. Sonia Gandhi, instead of following Indira's safe path, is wrongly caught on Rajiv's risky steps. The consequences seem to be ominous. Will the politics of 1987 to 1989 repeat?

Following Rajiv and forgetting Indira, Sonia Gandhi proclaimed 'zero tolerance' to corrup-

tion at a party rally in Allahabad in Nov. 2010. She repeated it at the Congress plenary in Delhi weeks later. Asking the cadre to take the corrupt head on, she said that her party was 'prompt' in acting against the corrupt; 'never spared the corrupt' because corruption impedes development'. This was almost how Rajiv Gandhi spoke in the Congress centenary in Mumbai 25 years ago. Two crucial differences marked Rajiv away from Sonia. First, when Rajiv claimed to be 'Mr Clean', he had no scams to defend against. But, Sonia claims to be honest amidst huge and continuing scams— CWG, Adarsh, 2G Spectrum allocation scam.... Next, Rajiv had a clean slate to begin with, with no known skeletons in his cupboard till the Bofors scam smashed his 'Mr Clean' image. In contrast, Sonia's slate is full of credible exposures of bribes and pay-offs in billions of dollars secreted in Swiss bank accounts, not counting Quattrocchi's millions from Bofors. To make it worse, for almost two decades now, she has not dared to deny the exposures or sue the famous Swiss magazine or the Russian investigative journalist who had put out evidence of bribe against the Sonia family. Seen against this background, Sonia's vow to act against the corrupt seems like a suspect hoisting 'catch



the thief' and scooting away. This is the main story that unfolds here.

\$2.2 billions to 11 billions!

A stunning exposure on Sonia Gandhi's secret billions in Swiss banks came, surprisingly, from Switzerland itself, where the world's corrupt stash away their booty. In its issue of November 19, 1991, Schweizer Illustrierte, the most popular magazine of Switzerland, did an exposé of over a dozen politicians of the third world, including Rajiv Gandhi, who had stashed away their bribe monies in Swiss banks. Schweizer Illustrierte, not a rag, sells some 2,15,000 copies and has a readership of 9,17,000 — almost a sixth of Swiss adult population. Citing the newly opened KGB records, the magazine reported 'that Sonia Gandhi the widow of the former Prime Minister Rajiv Gandhi was controlling secret account with 2.5 billion Swiss Francs (equal to \$2.2 billion) in her minor son's name'. The \$2.2 billion account must have existed from before June 1988 when Rahul Gandhi attained majority. The loot in today's rupee value equals almost Rs 10,000 crore. Swiss banks invest and multiply the clients' monies, not keep them buried. Had it been invested in safe long-term securities, the \$2.2 billion bribe would have multiplied to \$9.41 billion (Rs 42,345 crore) by 2009. If it had been put in US stocks, it would have swelled to \$12.97 billion (Rs 58,365 crore). If, as most likely, it were invested in long-term bonds and stocks as 50:50, it would have grown to \$11.19 billion (Rs 50,355 crore). Before the global financial meltdown in 2008, the \$2.2 billion bribes in stocks would have peaked at \$18.66 billion (Rs 83,900 crore).

Black money trail: Liechtenstein says onus on India

As pressure mounts on the Indian government to crack down on black money, Liechtenstein has said that it has already been helping India. Tucked away between Austria and Switzerland, in the mountains, the tiny municipality of Liechtenstein was considered one of the most uncooperative tax havens in the world. But giving in to the international pressure, it agreed in 2009 to sign tax treaties which would allow countries to trace their black money in Liechtenstein accounts.

Even the Opposition in Liechtenstein's 24-member Parliament that had been fighting for shift in policy says things have changed now. But now they say the onus is on India to negotiate a tax treaty quickly. "We have done our job in Liechtenstein, we have changed the laws. Now the Indians have to come and solve their problem," said Dr Pepo Frick, MP, Liechtenstein Opposition.

The Indian government has said that it has initiated the process of negotiating treaties with more than 65 countries. But experts say India will still face problems getting information as these treaties are not based on the European model which allows for more automatic exchange of information. These treaties will instead ask India to give details such as names, account numbers and bank names beforehand which are extremely hard to get. Such a condition will create a huge leeway for tax havens to simply not cooperate even if tax treaties are signed. □

By any calculation the present size of the \$2.2 billion secret funds of the family in Swiss banks seems huge — anywhere between Rs 43,000 plus to some Rs 84,000 crore!

KGB papers

The second exposé, emanating from the archives of the Russian spy outfit KGB, is far more serious. It says that the Gandhi family has accepted political pay-offs from the KGB — a clear case of treason besides bribe. In her book *The State Within a State: The KGB and its Hold on Russia-Past, Present, and Future*, Yevgenia Albats, an acclaimed investigative journalist, says: "A letter signed by Victor Chebrikov, who replaced Andropov as the KGB head in 1982 noted: 'the USSR KGB maintains contact with the son of the Premier Minister Rajiv Gandhi (of India). R Gandhi expresses deep gratitude for the benefits accruing to the Prime Minister's family from

the commercial dealings of the firm he controls in co-operation with the Soviet foreign trade organisations. R Gandhi reports confidentially that a substantial portion of the funds obtained through this channel are used to support the party of R Gandhi.'" (p.223). Albats has also disclosed that, in December 2005, KGB chief Victor Chebrikov had asked for authorisation from the Central Committee of the Communist Party of the Soviet Union, "to make payments in US dollars to the family members of Rajiv Gandhi, namely Sonia Gandhi, Rahul Gandhi and Ms Paola Maino, mother of Sonia Gandhi." And even before Albats' book came out the Russian media had leaked out the details of the pay-offs. Based on the leaks, on July 4, 1992, *The Hindu* had reported: "the Russian Foreign Intelligence Service admits the possibility that the KGB could have been involved in arranging profitable So-

Total black money in India?

Swiss bank revealed India has more money than rest of the world. The second best Russia has 4 times lesser deposit. U.S. is not even there in the counting in top five! India has more money in Swiss banks than all the other countries combined!

Due to international pressure, the Swiss government agreed to disclose the names of the account holders only if the respective governments formally asked for it. Indian government is not asking for the details. We need to start a movement to pressurize the government to do so! This is perhaps the only way, and a golden opportunity, to expose the high and mighty and weed out corruption!

With personal account deposit bank of \$1,500 billion in foreign reserve which have been misappropriated, an amount 13 times larger than the country's foreign debt, one needs to rethink if India is a poor country? With this amount 45 crore poor people can get Rs 1,00,000 each.

After paying the entire foreign debt, we will have surplus amount, almost 12 times larger than the foreign debt. If this surplus amount is invested in earning interest, the amount of interest will be more than the annual budget of the Central government. So even if all the taxes are abolished, then also the Central government will be able to maintain the country very comfortably.

Some 80,000 people travel to Switzerland every year, of which 25,000 travel very frequently. 'Obviously, these people won't be tourists. They must be travelling there for some other reason,' believes an official involved in tracking illegal money.. And, clear-

ly, he isn't referring to the commerce ministry bureaucrats who've been flitting in and out of Geneva ever since the World Trade Organisation (WTO) negotiations went into a tailspin!

Black money in Swiss banks- Swiss Banking Association report, 2006 details bank deposits in the territory of Switzerland by nationals of following countries: **TOP FIVE—India (\$1,456 billion), Russia (\$470 billion), U.K. (\$390 billion), UKRAINE (\$100 billion), China (\$96 billion).**

Now do the math's - India with \$1,456 billion or \$1.4 trillion has more money in Swiss banks than rest of the world combined. Public loot since 1947:

Can we bring back our money? It is one of the biggest loots witnessed by mankind - the loot of the Aam Aadmi (common man) since 1947, by his brethren occupying public office. It has been orchestrated by politicians, bureaucrats and some businessmen.

The list is almost all-encompassing. No wonder, everyone in India loots with impunity and without any fear. What is even more depressing is that this ill-gotten wealth of ours has been stashed away abroad into secret bank accounts located in some of the world's best known tax havens. And to that extent the Indian economy has been stripped of its wealth. Ordinary Indians may not be exactly aware of how such secret accounts operate and what are the rules and regulations that go on to govern such tax havens. However, one may well be aware of 'Swiss bank accounts,' the shorthand for murky dealings, secrecy and of course pilferage from developing countries into rich developed ones. □

viet contract for the company controlled by Rajiv Gandhi family".

Indian media

Rajiv Gandhi's sad demise delayed the Swiss and Russian exposé on Sonia being picked up here. But Indian media's interest in it actually coincided with Sonia Gandhi assuming leadership of the Congress. A G Noorani, a well-known columnist, had reported on both Schweizer Illustrierte and Albats' exposés in Statesman (December 31, 1988). Subramanian Swamy had put out the photo-

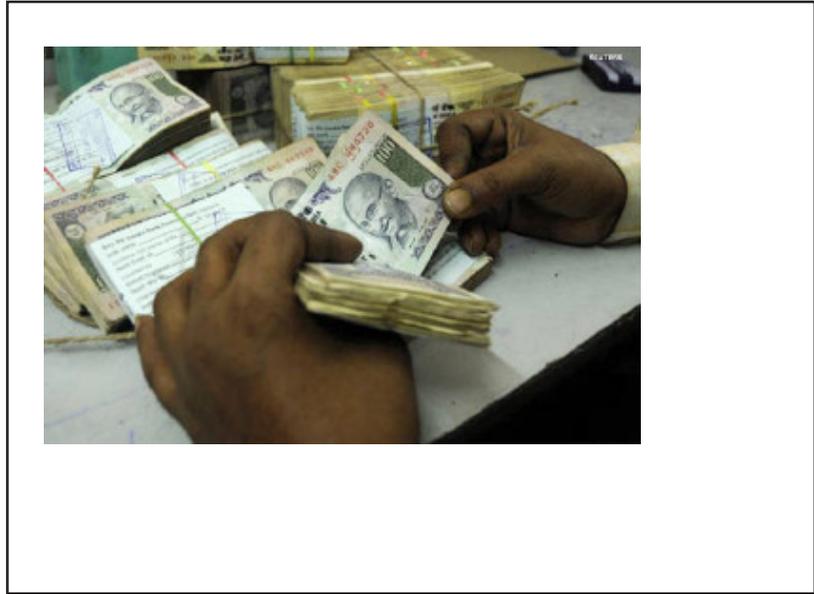
copies of the pages of Schweizer Illustrierte and Albats' book in his website along with the mail of the Swiss magazine dated February 23, 2002 confirming that in its article of November 1991 it had named Rajiv Gandhi with a total of Swiss Franc 2.5 billion (\$2.2 billion) in secret account; it had also offered to supply a original copy of the magazine to Swamy. (See: <http://www.janataparty.org/annexures/ann10p43.html>). These facts were again recalled in my article in The New Indian Express (April 29, 2009) written in response to Sonia

Gandhi speech at Mangalore (April 27, 2009) declaring that, "the Congress was taking steps to address the issue of untaxed Indian money in Swiss banks". The article had questioned her about her family's corrupt wealth in Swiss banks in the context of her vow to bring back the monies stashed away abroad. Rajinder Puri, a reputed journalist, has also earlier written on the KGB disclosures in his column on August 15, 2006. Recently, in India Today (December 27, 2010) the redoubtable Ram Jethmalani has referred to the Swiss

exposé, asking where is that money now? So the Indian media too has repeatedly published the details of the secret billions of the Gandhi family investigated by the Swiss and Russian journalists. Amal Datta (CPI(M)) had raised the \$2.2 billion issue in Parliament on December 7, 1991, but Speaker Shivraj Patil expunged the Gandhi name from the proceedings!

Self-incriminating

But, what has been the response of Sonia or Rahul, major after June 1988, to the investigation by Schweizer Illustrierte and Albats and to the Indian media's repeated references to their investigation? It can be summed up in one word: Silence. Thus, apart from the exposés, the deafening silence of the Gandhis itself constitutes the most damaging and self-incriminating evidence of the family's guilt. When Schweizer Illustrierte alleged that Sonia had held Rajiv Gandhi's bribes in Rahul's name in Swiss banks, neither she nor the son, protested, or sued the magazine, then or later; nor did they sue A G Noorani or Statesman when they repeated it in 1998, or later; nor would they sue Subramanian Swamy when he put it on his website in 2002; neither did they sue me, or the Express when the article was carried in April 2009. When major papers, The Hindu and The Times of India included, had carried the expose on KGB payments in the year 1992 itself adding that the Russian government was embarrassed by the disclosures, neither of the Gandhis challenged or sued them; nor did they sue Yevgenia Albats when she wrote about KGB payments to Rajiv Gandhi in 1994. Neither did they act against Swamy when he



put Albats' book pages on his website or when Rajinder Puri, a well-known journalist, wrote about it in his column on August 15, 2006. However, a feeble but proxy suit was filed by Sonia loyalists to defend her reputation when Albats' exposé was made part of the full-page advertisement in The New York Times in 2007 issued by some NRIs to 'unmask' Sonia to the US audience, as they claimed. The suit was promptly dismissed by a US court because Sonia herself did not dare file the suit. Shockingly even that suit did not challenge the \$2.2 billion Swiss account at all!

Imagine that the report in Schweizer Illustrierte or in Albats book was false and Sonia Gandhi did not have those billions in secret accounts in Rahul Gandhi's name or the family was not paid for its service to the KGB as alleged. How would they, as honest and outraged people, have reacted? Like how Morarji Desai, then retired and old at 87, responded in anger when, Seymour Hersh, a Pulitzer Prize-winning investigative journalist, had mentioned in his book that Morarji Desai was a

'paid' CIA mole in the Indian Cabinet. Morarji Desai forthwith filed a libel suit. Commenting in The American Spectator, Rael Jean Isaac wrote in 2004, five years after Morarji Desai had passed away, that Hersh habitually indulged in character assassination; and in his attempt to do down Henry Kissinger, Morarji Desai became the victim. Isaac added that Desai, 87, calling it a "sheer mad story", reacted in outrage with a libel suit seeking \$50 million in damages. When the suit came up, as Desai, 93, was too ill to travel to US, Kissinger testified on Desai's behalf, flatly contradicted Hersh's charge and stated that Desai had no connection to the CIA. That is how even retired and old persons, honest and so offended and outraged, would act. But see the self-incriminating contrast, the complete absence of such outrage, in Sonia, who is reigning as the chairperson of the UPA now, neither retired or tired like the nonagenarian Morarji Desai, being just 41 when the story broke out in Schweizer Illustrierte. Imagine, not Sonia or Rahul, but Advani or Modi had figured

in the exposés of Schweizer Illustrierte or Albats. What would the media not have done to nail them? What would the government of Sonia not have done to fix them?

Rs 20.80 lakh-crore loot

The billions of the Gandhi family being both bribes and monies stashed away in Swiss banks, they are inextricably linked to the larger issue of bringing back the huge national wealth stashed abroad. All world nations, except India, are mad after their black wealth secreted in Swiss and like banks. But India has shown little enthusiasm to track the illicit funds of Indians in Swiss and other banks. Why such reticence?

When during the run-up to the 2009 Lok Sabha elections, the BJP leader L K Advani promised to bringing back, if voted to power, Indian monies estimated between \$500 billion and \$1.4 trillion stashed abroad, the Congress first denied that there was such Indian money outside. But when the issue began gathering momentum, Manmohan Singh and Sonia Gandhi had to do damage control and promise that the Congress too would bring back the national wealth secreted abroad. Global Financial Integrity (GFI), a non-profit institution working against global black funds, has recently estimated that the Indian wealth secreted away is about \$462 billion, approximately equal to Rs 20.80 lakh-crore. The GFI says that more than two-thirds of it was looted away under the liberalisation regime. This is what the GFI says about the character of the loot: "From 1948 through 2008, India lost a total of \$213 billion in illicit financial flows (or illegal capital flight)" through "tax evasion,

Amnesty helps tax evader

In order to recover black money, government has offered five voluntary disclosures of income schemes (VDIS) since 1951. Under these schemes tax evaders were given amnesty from prosecution in case they come forward and declare their undisclosed income.

The last such scheme was launched in 1997-98 when government got taxes worth '10,000 crore. This was more than 12 times the total collections from earlier such amnesty schemes. During the 1997-98 scheme, nearly five lakh people declared their undeclared income. The value of assets declared was '33,697 crore. Cash accounted for 50 per cent of the total assets declared followed by jewellery amounting to 37 per cent. However, only 0.43 per cent of the declarants made disclosures of '1 crore and above. The government is once again thinking of launching a new amnesty scheme. Union finance minister Pranab Mukherjee has said that the government has constituted a group to advice on whether such a scheme should be launched. However, critics of this scheme say that only a small amount of the black money is revealed during these schemes and it is against the honest tax payer who has been paying his taxes on time. Such schemes don't check future tax evasion. But it creates an environment where tax evaders think that they would get amnesty for their past crimes and increase the incidence of tax evasions. To check black money, government has also increased searches of business premises to recover undeclared money. As a result in the last 18 months, the income tax department has been able to detect undisclosed income of '15,000 crore. The Directorate of Transfer Pricing has detected mispricing of '33,784 crore, which has prevented shifting of an equivalent amount of money outside India. Again, the critics point out the amount recovered is just a fraction of the black money generated every year. Government is also amending agreements with foreign countries so that it is easy to get information regarding money parked in foreign banks by Indians. India has completed negotiations of new tax information exchange agreements with ten tax havens which include Bahamas, Bermuda, British Virgin Islands, Isle of Man, Cayman Islands, Jersey, Monaco & St. Kitts and Nevis. Government is also amending the double taxation avoidance agreements (DTAA) with 65 countries to allow for exchange of banking information & information regarding taxpayers. However, critics say that double taxation avoidance agreements could help the government to get information only about the legal money & not black money. □

corruption, bribery and kickbacks, and criminal activities". Does one need a seer to say under what head would the \$2.2 billion in Sonia family's secret account (which would have grown to \$9 to \$13 billion by now) fall? But accretions, if any, from the loot in 2G & CWG where the numbers are even bigger are not still accounted. Now comes the

more critical, yet practical issue. When the Sonia Gandhi family is among the suspects who have secreted away monies abroad, how will it affect the efforts to bring back the wealth stashed away by others?

Looters safe

Just a couple of examples will demonstrate how the government

is unwilling to go after Indian money secreted abroad. As early as February 2008 the German authorities had collected information about illegal money kept by citizens of different countries in Lichtenstein bank. The German Finance Minister offered to provide the names of the account holders to any government interested in the names of its citizens. There were media reports that some 250 Indian names were found in the Lichtenstein Bank list. Yet, despite the open offer from Germany to provide the details, the UPA-II government has never showed interest in the Indian accounts in Lichtenstein Bank. The Times of India reported that “the ministry of Finance and PMO have, however, not shown much interest in finding out about those who have their lockers on the secret banks of Liechtenstein which prides itself in its banking system”. But under mounting pressure the Indian government asked for details not under the open offer but strategically under India’s tax treaty with Germany. What is the difference? Under the tax treaty the information received would have to be kept confidential; but, if it were received openly, it can be disclosed to the public. Is any further evidence needed to prove that the government is keen to see that the names of Indians who had secreted monies abroad are not disclosed?

The second is the sensational case of Hasan Ali, the alleged horse-breeder of Pune, who was found to have operated Swiss accounts involving over Rs 1.5 lakh-crore. The income tax department has levied a tax of Rs 71,848 crore on him for concealing Indian income secreted in Swiss accounts. This case is being buried now. The

A letter to PM by Dr. Subramanian Swamy
November 24, 2010.

Dear Prime Minister,

You may by now have realized that the 2G Spectrum scandal is not only bad for the country in the dimension of corruption, but now it emerges that there is a national security dimension too. The RAW, IB, CBI, ED all have enough material which they may have placed before you regarding the dubious aspects of the principal player in this scam.

According to my information two sisters, Anushka and Nadia, of Ms Sonia Gandhi had received sixty percent of the kickbacks in this deal i.e. Rs.18,000 crores each. The frequent travel of Sonia Gandhi and her immediate family to Malaysia, Hongkong, Dubai and parts of Europe including London requires to be probed under the law. What requires your special attention is the mode of the travel, not by commercial airliners, but by jets provided by the corporate sector which itself is illegal under the DGCA Rules. I find that often Ms.Sonia Gandhi and family have traveled to Dubai and then traveled onwards on private jets provided by dubious Arab business interests to Europe. It is not clear on what passport they have traveled. In Dubai they were felicitated by agencies of countries which are hostile to India including that of Pakistan.

You can no more not take a stand when evil is permeating in the country in the form of terrorism, religious conversion and demographic infiltration. The ill-gotten money in billions of dollars equivalent, the money laundering and Participatory Notes have all undermined our national integrity. The time is come for you to take a stand.

I am familiar with the information and data with our intelligent agencies. I also know that you can seek cooperation of other countries especially the United States in pooling information especially from inter Intelligence interaction that take place regularly. I hope therefore you will rise to the need of the hour and take effective steps to set right the sorry state of affairs in the country caused by overtly and covertly resident foreigners. In this connection I would like to meet you at the earliest. My Secretary will be in touch with your Secretariat to fix a time.

Yours sincerely,
(SUBRAMANIAN SWAMY)

request sent to the Swiss government was deliberately made faulty to ensure that the Swiss would not provide details. Some big names in the ruling circles are reportedly linked to Hasan Ali. That explains why the government would not deepen the probe. It is Hasan Alis and the like who transport through hawala the bribes of the corrupt from India. If Hasan Ali is exposed, the corrupt will stand naked. This is how the hawala trader and the corrupt in India are mixed-up.

Is it too much to conclude

that thanks to Sonia family’s suspected billions in Swiss accounts the system cannot freely probe the \$462 billion looted from India at all? Tail-pieces: The total wealth of both Gandhis, as per their election returns, is just Rs 363 lakh, Sonia owning no car. Sonia lamented on November 19, 2010, that graft and greed are on the rise in India!! Rahul said on December 19, 2010, that severe punishment should be given to the corrupt!!! Amen. □□

The Author is a well-known commentator on political and economic issues. (comment@gurumurthy.net)

Corruption and the Common Man's Woes



Due to paucity of funds government has been taking its hands off from public health services and common man has been left to the mercy of private institutions. We can bring revolutionary changes in all these conditions, provided we win over corruption, pronounces Dr. Ashwani Mahajan



For more than 3 years issue of scandalous allocation of spectrum has been under discussion. Recently the issue again got hot up in view of startling revelation by Comptroller and Auditor General (CAG) of India. Even the extent of loss to exchequer was quantified by the CAG. CAG revealed that due to this act on the part of telecom minister the exchequer lost revenue to the tune of 1.76 lakh crores. Hon'ble Supreme Court has also questioned Prime Minister's silence over the whole issue for so long. The demand for Joint Parliament Committee (JPC) brought the parliament to standstill in its winter session. Issues of corruption in Commonwealth Games and the huge amount of

black money parked in foreign banks outside India have been rocking the nation.

Country of scams

Spectrum scam is not the first scam in the country. Memories of last such big scam, infamously known as Telagi scam, are still afresh in the minds of the people. In this scam though there has been a sizeable loss to the exchequer, the

***Progress due to genius
and hard working
Indians is being eaten
away by unscrupulous
politicians and
bureaucrats***

extent of loss could not be measured till date. Tax evasion by big business houses has also being a major cause of loss to public exchequer. Scams ranging from Harhsad Mehta to Ramalinga Raju of Satyam, where criminal proceedings have also been initiated, no serious outcome have been there. Outcry about so many major scandals in the parliament and legislative assemblies has met the deaf ears of our executive and bureaucracy at various levels. Perhaps transparency and elimination of corruption is not on the agenda of the governments at present. It was thought that Right to Information may bring some reprieve from corruption, but it seems our politicians and bureaucracy has found ways of culinary escape from that too. Recently published report by Transparency International states that transparency index of India has come down from 3.5 to 3.3 and ranking of India in terms of transparency has come down to 87 in list of 178 country. This has been mainly attributed in present case to corruption in organising Common Wealth Games.

No relief from corruption despite growth in GDP

Ironically, the world's most corrupt countries are poor ones. Generally in rich countries we find

more transparency due to compliance with law & order. This implies that with development transparency (integrity) index goes up, as institutional frame work would be put in place with regard to compliance with law and order. But contrary to international experience, in India, despite growing national and per capita income, transparency index is also going down. Progress due to genius and hard working Indians is being eaten away by unscrupulous politicians and bureaucrats and thus benefits of the development are not fully reaching the general public. Country's wealth is being cornered by these elements.

Revenues also show a phenomenal growth, thanks to growing incomes and production. For example, the Central Government's tax revenue which was only Rs.9390 crores in 1980-81 increased to Rs. 5,34,000 crores in 2010-11; that is, an increase by 55 times in just 40 years. But non-tax revenue could increase by only 43 times in the same period. This could have increased much more had these scams not been there. Surprisingly public sector enterprises, which are blamed for their incompetence, are contributing much more to the exchequer. In fact telecom sector has been a house for the worst scandals, starting from former Union Communications Minister Sukh Ram to A. Raja, another Union Communication Minister.

Inflation and rising debt burden

These scams seem to have a direct connection with the common man's life. Lack of revenue compels the governments to go for deficit budget. In 2010-11, Finance



Had the govt. been able to carry this amount of Rs.1.76 trillion to its kitty, scenario of price rise would have been different.

Minister planned for a fiscal deficit of nearly Rs. 4 trillions. Last year this deficit was more than Rs. 4 trillion. Such a big deficit could be filled by government borrowing, which would increase the burden of debt on our future generations. If the government is unable to raise sufficient loans from the public (including financial institution), it has to borrow from RBI. RBI in turn would print more currency notes to finance this lending to the government. This would result in growth of money supply, which is the main cause of inflation today. Therefore it is simple one to one relationship between corruption and inflation. Had the government been able to carry this amount of Rs.1.76 trillion to its kitty, scenario of price rise would have been different. Neither the government had to print additional notes nor debt burden on future generations would have increased so much.

Education and Health for All: A Distant dream

Some time back a law was enacted by the parliament in the name of Right to Education. It's a known fact that as per Directive Principles of the State Policy, as enumerated in the Constitution of India the government was expected to provide for universal prima-

ry education. Even after 60 years of the promulgation of the Constitution, we have now been able to implement Right to Education. We would need Rs. 30,000 to implement Right to Education Act. This amount is only one sixth of the loss to the exchequer, due to 2G scam only.

Provision of health is the primary responsibility of the government. The government has even declared its objective to achieve health for all in Millennium Development Goals (MDGs). But due to paucity of funds government has been taking its hands off from public health services and common man has been left to the mercy of private institutions. According to Union Budget 2010-11, a provision of only 23,530 crore has been made for Public Health and Family Welfare. According to a rough estimate if the government spends an additional amount of Rs.30,000 crores, reasonable health facilities could be provided for the common man. Today, 230 out of one lakh mothers die before giving birth to their child, and 66 out one thousand children do not live up to their 5th birthday. We can bring revolutionary changes in all these conditions, provided we win over corruption. □□



***Sibal's 2G scam defence:* Is the PM his target?**

The fear in the Congress camp is that should Raja raise even his little finger at anyone, including the Prime Minister, that person would have to come under the investigation radar, comprehends MR Venkatesh

Noise pollution. That is how a friend of mine described the press conference of Telecom Minister Kapil Sibal held in New Delhi on January 7.

Being a trained lawyer, Sibal, like many others in his profession, takes recourse to cacophony as a substitute to cogent arguments, especially when their case is weak.

In a broad sweep, Sibal ridiculed the assumptions contained in the report of the Comptroller and Auditor General, defended implicitly the role of his predecessor in the 2G spectrum allocation scam, went ahead to question the need for the probe to go on any further in the matter, questioned the wisdom of the Hon'ble Supreme Court in accepting to monitor the

investigation being undertaken by the CBI and that of the Opposition in demanding a Joint Parliamentary Committee to look into the entire scam.

In short, according to Sibal, everyone who has pointed an accusing finger at the government on this scam is intellectually challenged. And like several of the lawyers-turned-politicians-turned-spokespersons-turned-ministers, Sibal has several hidden agendas in just one press statement.

And there is a serious message contained within the noise pollution left over by Sibal.

Let me amplify.

According to Sibal, "The criticism of large revenue loss has received a great deal of attention in

the Press because of the size of the loss stated by CAG. This estimate is based on the assumption that spectrum should have been auctioned or sold in some other manner which would have fetched the government the highest possible price. However, the logic underlying this estimate is completely flawed."

That, in effect, means that Sibal had virtually turned himself into a counsel for his predecessor A Raja while simultaneously exonerating him.

But the role of the counsel is minimal. Enter Sibal, the minister with a new telecom policy. Even that is acceptable. But the pity is that Sibal attempts to interpret the telecom policy retrospectively.

In short, he stated that the "government policy is formulated with a view to maximising public welfare, and not merely with a view to maximising government revenues. The pricing of different natural resources is often done in a manner that meets this objective."

For those who have not understood the import of the same, Sibal elaborates: "Fertilizer prices involve significant subsidy as do the prices of wheat, rice, kerosene oil, etc supplied through the Public Distribution System. In all these cases if the objective of the government were only to maximise revenues, much higher price would be charged, but there are good reasons why that is not done."

One is not sure whether subsidising telecom is an avowed policy of the Government of India and if so is it constitutionally tenable, morally acceptable and financially justifiable.

His predecessor likened 2G to rice distributed through the PDS and 3G to Basmati rice, and came

PAC chief writes to Speaker against Sibal

Objecting strongly to Telecom Minister Kapil Sibal's attack on CAG report, PAC chairman Dr. Murli Manohar Joshi has written to Lok Sabha Speaker Meira Kumar requesting her to take "prompt" and "effective" steps to stop "such constitutional impropriety" by ministers. Dr. Joshi questioned whether it was appropriate for a minister, particularly the one holding the charge of the ministry concerned, to cast aspersions on CAG report after it has been tabled in the House.

In the letter, the chief of Parliament's Public Accounts Committee questioned whether Sibal had expressed "such views of far-reaching implications and consequences with the knowledge and permission" of Prime Minister Manmohan Singh. "As Speaker of the Lok Sabha, you are the only authority to whom the Committee (PAC) can approach for seeking clarification from the minister on the above issues and advise the Committee," Joshi wrote in the two-page letter dated January 19 copies of which were distributed to the media.

Sibal had rubbished the findings of the CAG in 2G spectrum allocation that the loss to the exchequer was to the tune of Rs 1.76 lakh crore and said the calculations were "erroneous". Joshi has also enclosed clippings of newsreports on Sibal's press conference and the CD of an interview given by the telecom minister to a TV channel.

"The statement (by Sibal) raises several issues regarding parliamentary propriety and preserving and respecting the independence of the CAG - an institution established by the Constitution - and the PAC, a Committee elected by the Parliament...", he said. He said the three issues needed to be addressed in the light of Sibal's statement.

"I, therefore, beseech you to take prompt steps to prevent the recurrence of such constitutional impropriety on the part of the ministers. I am afraid if a

situation of confrontation between ministers and other constitutional authorities and the Parliamentary Committees develops, then the days of healthy and vibrant democracy are numbered," Joshi's letter said. "Already a sense of cynicism is growing and if it has to be replaced by a sense of hope and confidence, we have to take effective measures," it said.

Speaking to reporters, Joshi said while a minister has a right to speak, "the issue is what and when to speak...the Supreme Court observation is clear that there should be a context to it...the dignity (maryada) should be followed." He said Sibal's statement has raised questions on impropriety and dignity of PAC and CAG. "If CAG is wrong then all government expenditure should be cleared without audit," he said.

In the letter, the PAC Chairman also wanted to know whether it was necessary for the CAG to accept whatever the ministry says or the CAG is expected to give his considered observations based on the material shown to him. Asked why he named the Prime Minister in his letter, Joshi said it was necessary to know whether it was the stand of the government.

He said the Committee was awaiting the reply of the Speaker and it was upto her to decide how she proceeds on the matter. "After her reply, we will see how to go ahead," he said. The veteran politician said while the telecom department of has "lost the opportunity" to explain its stand before the CAG, it could still do so before the Parliamentary panel.

The PAC chief had, after the last meeting of PAC on January 12, said "The sense of the committee was that Sibal's remarks were improper, against propriety and an attack on the dignity of PAC and CAG". The telecom minister had termed as "utterly erroneous and without any basis" the estimated presumptive loss arrived at by the CAG on account of allocation of 2G spectrum to telecom operators. □

to a conclusion that the two are not comparable, little realising that the two are rice in the first place.

Sibal the minister goes one step further: he attempts to find the link between telecom policy and fertiliser pricing as well as food subsidy policies.

Lawyers call this 'court craft'.

In simple language this is called an attempt at creating confusion by arguing in circles.

But more diffusion is to follow. According to him the new telecom policy of the then National Democratic Alliance government in 1999 "explicitly recognised the need to bring greater competition in the

telecom sector in both urban and rural areas and to provide a level playing field for all players."

The operating word is 'competition', which was to be the driving force in ensuring increase in tele-density and also lowering of tariffs.

And that is the crux of the issue which Sibal cleverly avoids.

Nira

Sibal seeks to demonstrate that at best there are only procedural lapses in the entire issue.

Interestingly, he points out that the “critics of the change in policy had argued at the time that the change in the contractual terms resulted in a loss to the exchequer of about Rs 40,000 crore (Rs 400 billion). Similarly, the reductions in licence fee in January 2001 and again in April 2004 can also be interpreted as benefiting select players at the expense of the national exchequer by the then government.”

Fair enough. If that were so, why talk of a loss during the NDA government aggregating to Rs 140,000 crore (Rs 1.40 trillion) now? Yet, he claims that his predecessor only followed the policy of the previous government.

Is the government of the day not explicitly mandated to correct the wrongs of the previous regime and put in place policy alternatives to prevent further loss to revenue while booking all those who caused loss to the exchequer?

Does not all this amount to dereliction of duty? What is indeed bizarre is Sibal’s conclusion — that despite following the policy of NDA (which resulted in a loss of Rs 150,000 to the revenue in 2001), there was no loss to the revenue in 2007-08!

Adjusting the time value of money well this might be close to Rs 400,000 crore (Rs 4 trillion) now! Sibal neatly side steps this issue.

Given all these arguments Sibal concludes, “It is in this background that successive governments have chosen to allocate telecom licences and spectrum on a basis other than revenue maximisation. The Trai (Telecom Regulatory Authority of India) has consistently taken the view that revenue generation should not be a major determinant of the policy governing the telecom sector.”

A casual reading of this press statement of the Telecom Minister may mislead the reader into believing that Sibal is defending his predecessor by tacitly assuming the role of a counsel for A Raja.

But readers must well realise that there are deep divisions within the first family of the Dravida Munnetra Kazhagam on retaining Raja within the party.

DMK members in Chennai tell us that it is a matter of time before Raja is discarded by the DMK leadership.

So the presumption that Sibal would be concerned about Raja and hence defending him is far-fetched. But Sibal also knows that it is matter of time that Raja would be arrested and subjected to serious interrogation by the Central Bureau of Investigation.

Naturally the fear in the Congress camp is that should Raja raise even his little finger at anyone, and

that anyone could even include the Prime Minister, that person would have to come under the investigation radar.

If the CBI arrests Raja, he is sure to raise the issue of keeping the Prime Minister fully informed vide his letters dated November 2, 2007 and December 26, 2007. And if Raja is not arrested, it is unlikely that Parliament will function.

Either way, it seems to me that the days of the incumbent Prime Minister are numbered, and that there is every possibility of a vacancy arising for the post of the Indian prime minister.

What has been stated is the obvious. Lest Raja forgets it, Sibal reminds Raja through his press statement: “The prime minister wrote to the minister of telecom on November 2, 2007 forwarding a summary of the suggestions received and requested the minister to consider all these aspects carefully. This has been wrongly interpreted in the CAG report as a direction to act in a particular manner on the issue of pricing. The only direction given by the prime minister was that the ministry should act in a fair and transparent manner and keep the prime minister informed.”

Further Sibal concedes: “The issues raised in the note forwarded by the prime minister were responded to by the minister of telecom who pointed out that in the interest of ensuring a level playing field between existing operators, who had obtained licenses and spectrum at very reasonable rates, and the new operators, and to ensure that new entrants could provide effective competition for the healthy growth of the sector, it would be appropriate to continue with the extant policy.”

Further, Sibal added that the prime minister was “also informed that the issue of pricing of spectrum was discussed extensively between the ministry of finance and the department of telecommunications (DoT) in line with the earlier decision of the Cabinet in 2003 which left the issue of spectrum pricing to be decided by the two ministers. The minister of telecom also consulted the then external affairs minister who was the chairman of the EGoM on spectrum issues.”

“Based on these consultations, the prime minister was informed that the finance minister and the DoT, after considering all options, had come to an agreement that the 2G pricing should continue as before, and that 3G spectrum would be auctioned. The prime minister accepted this outcome regarding

spectrum pricing,” Sibal added.

In effect, according to Sibal, Raja took all the decisions after consulting both the prime minister and the then external affairs minister Pranab Mukherjee. And if the CBI push comes to a shove, that comment from Sibal effectively rules out even Pranab Mukherjee being considered as a likely replacement to the incumbent.

But if you thought that I have run you through the entire scheme, kindly wait. Sibal concedes that the CAG’s findings regarding procedural irregularities in the implementation of the ‘first-come-first-served’ policy are in a different category and must be taken very seriously and adds: “In this case, in view of the nature of the lapses, criminal investigations are also under way. The government is totally

committed to taking stringent action against any person found guilty of corruption or misconduct.”

In short, Sibal seeks to demonstrate that at best there are only procedural lapses in the entire issue. And even assuming that these are serious ones, there is no revenue loss to the government.

Even assuming that there is a revenue loss to the government, the prime minister (as well as Pranab Mukherjee) was well and truly informed. In short, if Raja goes, the prime minister goes.

Whether Sibal has effectively defended Raja or not as a counsel is unclear. But surely, his target seems to be the prime minister (and Pranab Mukherjee). □□

PS: By seeking to dismiss any charge of financial impropriety, Sibal seems to immunise the Congress leadership from any possible fallout. Is Sibal proving his loyalty to the Congress leadership in case of a leadership change?

SWADESHI PATRIKA

Voice of Real Economy

**Dedicated to Swadeshi Movement in all its dimensions;
Battles threats to the economic sovereignty of the nation; and
Gives Voice to all sections of Economy**

SUBSCRIBE AND/OR RENEW YOUR SUBSCRIPTION

FILL THE FORM AND SEND IT TO US :

Name

Address.....

City **Pin**

YEARLY Rs. 100/-

LIFE Rs. 1000/-

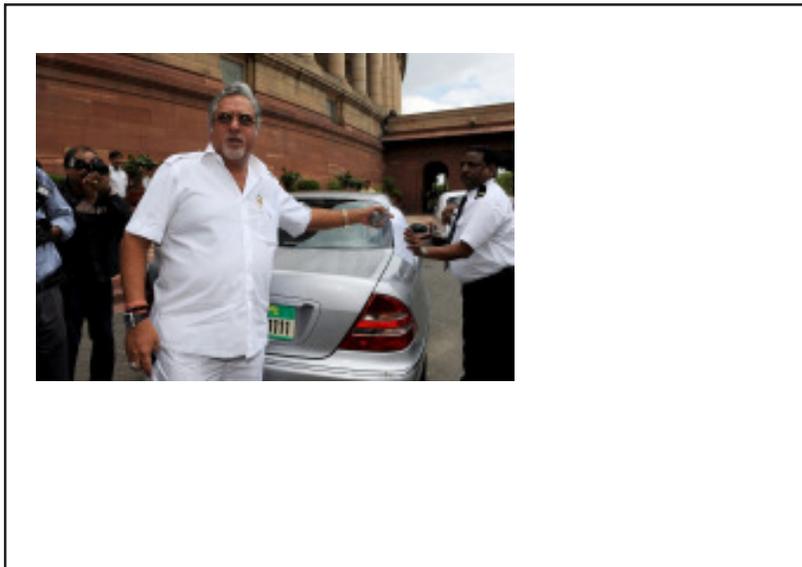
Website: www.swadeshionline.in Email: swadehipatrika@rediffmail.com

For subscription please send payment by A/c payee Cheque/Demand Draft/Money Order in favour of ‘Swadeshi Patrika’ at New Delhi.

Don't mix politics with business



Politician and his family shall limit themselves to politics and not engage in business to curb the tendency to bend the rules. This is the way to control corruption, believes Dr Bharat Jhunjhunwala



The list of corrupt politicians keeps on increasing. Bofors of Rajiv Gandhi, Harshad Mehta episode of Narsimha Rao, fodder scam of Laloo, Spectrum allocation by Raja, repeated change of tax rates by Mayawati, kidnappings by Naxals and ULFA and most recently allocation of land by Yedurappa are the prominent entries. This is not a new disease, however. Gandhiji was much disturbed about this and had suggested that the Congress Party dissolve itself and Congressmen become members of a non-political Lok Sewa Sangh. Congressmen did not like the proposal for obvious reasons. The problem is equally pervasive in foreign coun-

tries. President Sukarno of Indonesia provided many concessions to his sons and helped them build a vast business empire. All major businesses of Tunisia are controlled by President Ben Ali's family. African leaders are known to routinely siphon off 50 to 80 percent of aid into their personal Swiss accounts. Prime Ministers of Japan & Italy have had to resign amidst allegations of corruption.

The democratic system thankfully allows every person to contest elections and become a politician. Our Constitution has dismantled the birth-based caste system that straight-jacketed persons into the traditional vocation of their family. Son of a Brahmin

today is free to serve another and become a Sudra; and daughter of a Sudra is free to become a politician. A born-Brahmin may desire comforts of air-conditioners, cars and flat-screen TVs. To undertake fasts and penance is a veritable pain for him. He is, therefore, allowed to become a servant, serve his master and receive security in return.

There is difference, however, in adopting vocation of one's choice and adopting two mutually contradictory vocations. Consider the vocations of politician and businessman. The politician cultivates goodwill of the voters whereas the businessman exploits them. Profits of the businessman are inversely proportional to the wages of the workers. The businessman is not afraid by the public outcry against his obtaining prime land by twisting the rules. His eyes are fixed on the income from the land. Public acceptance or rejection is meaningless for him. Moneylenders mercilessly grab the pawned jewelry of a person who has landed in difficult circumstances. It matters little to him that people call him a butcher. He is happy holding the wealth in his safe. It will be difficult for such a moneylender to become a politician. He will suffer loss in his

business if he adopts a soft stance towards the borrowers. On the other hand, people will not give him votes if he adopts a hard stance. The politician should, therefore, not engage in the business of money lending.

The politician has no sanctity for the words spoken from the mouth. Chanakya says in Arthashastra "A king who is situated between two powerful kings may make peace with them on equal terms. Then he may begin to set one of them against the other and thus cause dissension between them. When they are divided, he may put down each separately by secret or covert means." A treaty of peace made by a politician can thus be no more than a smoke-screen of deception. On the other hand, businessmen strive their utmost to honour their word. Trust is the bedrock on which their business prospers. Consider the fate of a businessman who enters politics. He will be smothered by political opponents if he honours his words. On the other hand, his business will suffer if he changes his words. Similarly, it is beneficial for a politician to protect one who seeks refuge under him. But a businessman ever seeks to extract as much as possible from a person who has come for assistance to him. Conclusion is that combination of roles of politician and businessman is a sure prescription for collapse. Sanjay Gandhi tried to enter the business of making cars. The result was not good. When a politician, directly or through his family, enters business, there is a spontaneous tendency to twist rules in one's favour. This leads to one's political demise. Yedurappa listening?

This contradiction between roles is not limited to politicians and businessmen. Four varnas were made in our tradition on this basis. One who wanted to secure the final truth was classified as Brahmin. He should speak honestly as King Harish Chandra. But such behavior was contra the role of a politician. Harish Chandra may have attained heaven but he lost his kingdom, did he not? Thus roles of Brahmin and Kshatriya cannot be discharged simultaneously.

Non-possession is prescribed for the Brahmin. Wealth is an obstruction in seeking of truth. It takes the mind towards worldly things. On the other hand, accumulation of unlimited wealth is considered to be the most laudable objective for the Vaisya. The two roles cannot be handled simultaneously. The Brahmin, Kshatriya and Vaisya all three live with uncertainty and new challenges every day. The Brahmin does not know wherefrom his next meal is going to come. The Kshatriya is ever on toes from new threats to his empire. The Vaisya is continually threatened with new products and companies entering the market and undermining his business. In distinction to these three, the Sudra gets security from his master. The sadhu running a grand ashram may not attain salvation, the politician may lose the election and the businessman may suffer loss but the Sudra employee gets his wages uninterrupted. An IAS officer serving the politician knows that salary will be credited in his account at the beginning of every month irrespective of who is the Chief Minister. But it is difficult for a Sudra to be honest. An IAS

officer, for example, has to take wrong decisions or bend the rules as per whims of his political bosses. He cannot even enjoy the money gathered from bribes and has to invest the same at low rates of interest in No 2. Therefore, it is difficult for the Sudra to attain truth, power or money.

Our forefathers provided for four varnas due to these contradictions in the roles of seeker, politician, businessman and servant. It was provided that every person should choose one of the four objectives of life-truth, power, money or comforts-and live by the dharma of that Varna. We have done well in providing the freedom to each individual in determining his objective and choosing a vocation suitable to the same. But we have erred in allowing individuals to follow more than one Varna simultaneously. Thus we find sadhus contesting elections and setting up factories to make soft drinks and soap. Politicians are setting power plants and making real estate ventures. Businessmen are giving lectures in Sanskrit and becoming Rajya Sabha MPs. Result is that all these noble men are getting trapped in scandals.

The way to control corruption is to provide that the politician and his family will limit themselves to politics and not engage in business of any type whatsoever. They will then have lesser tendency to bend the rules and avoid getting into unsavoury scandals. We must amend our Constitution and require that every individual declare his Varna to his choice and then he be required to follow the corresponding dharma. □□

bharatj@sancharnet.in

A NEW JOURNALISM IS BORN

Wikileaks, the new form of Journalism has changed its face. It is time the 'Free Press' takes a clue to carry forward this mission without any reservation to become truly 'Free Press', pleads D G Bokare

Wikileaks has created a new revolutionary sensation across the world and more particularly in the developed nations. These nations are finding it difficult to hide their embarrassment caused due to leaks. People across the world realize that these nations have been telling lies to retain their supremacy in all matters for several decades, if not centuries. Capitalist countries have been struggling to survive from the economic shocks caused by manipulative tactics in financial and economic matters. Scams, frauds, bankruptcy, unemployment, et al have panicked the citizens of these so called developed countries. Earlier, individuals were declaring bankruptcies. Now companies, banks, states and

also the nations as a whole are declaring bankruptcies. A queue is seen in declaring such bankruptcies. Greece, Portugal, Spain, Latvia, Italy, and even the USA are standing in this queue. On top of these problems, WikiLeaks is now pushing them to the walls.

What WikiLeaks wants?

The team wants the world to be free of exploitation and be ruled as truthfully and transparently as possible. It wants the rulers who are playing with lives of innocent people by declaring war and looting other nations' natural resources and personal properties must be exposed for their dual standards and, if possible, punished them adequately. The team also

wants to create 'alternative media' to clear wrong impressions and perception created by the media fully controlled by the capitalists. Major control of world media is with just five MNCs and blessed by the respective local governments. They always give one-sided picture of the world affairs to meet their objective of controlling the world affairs. WikiLeaks wants to challenge this one-sided and manipulated reporting and also paid-news. It is also trying to create enough potential to expose all wrong doings of imperialistic ambitions of the developed nations. In an interview to New Yorker (as reported on 7th July 2010), Julian Assange, the founder of WikiLeaks, said: "Exposing secrets could potentially bring down many administrations (including the USA) that rely on concealing reality". Someone has recently said that secrecy has become the refuge of unaccountability. Assange sees capitalist governance, particularly in developed countries, as a conspiracy of using their power against the governed from other countries, more particularly in developing and poor countries. And as such Assange wants WikiLeaks to undermine the ability of these governments of rich nations to communicate secretly and at the same time demolish their power by



bringing transparency by using the electronic media tools. Assange once said that his papers would bring down these exploitative entities, including the USA.

Why there is cry about secrecy?

More the secrecy in governance, more will be the power in the hands of the rulers to manipulate the affairs. It is like what Henry Kissinger said in 1970s: "Control the oil and you control nations. Control food and you control people". We can now add: "Control information and you control world affairs". Secrecy has become a tool in the hands of imperialist forces under the guise of democracy. There is competition to publish secret documents or information much ahead of other competitors. "Breaking News" is one such category. Some time leaks are even pervasive too. There cannot be any hide and seek attitude in any democratic setup. When the secrecy becomes a tool in the hands of rulers, it is then called a non-democratic setup. In that case, how could we then call the USA or for that matter any country claiming democracy as democracy and still hide the vital information for its citizens. The founder of WikiLeaks must have been mentally challenged by this kind of duplicity. In India too, we have been facing the problems about transparency in many matters. On consistent demands by some social activists, the government had finally agreed to approve the 'Right to Information Act' (RTI). This is exactly the issue Julian Assange has decided to take on the Western countries, especially the USA, for their duplicity in this matter.

Julian Assange has changed the dynamics of information system by making the secrets of those



“Control the oil and you control nations. Control food & you control people”. We can now add: “Control information and you control world affairs”.

governments wide open to the people of the world. He is fighting to practice right to information as fundamental right of any citizen of the world when his country is concerned for any action of the overseas powers. This has created lot of upheavals and uncomfortable feelings among the Western countries. Many developing countries like India have been fooled consistently for the past several decades by the West for their own interest to dominate the world affairs. What Assange is doing was exactly expected from the 'free' press from those countries. He must have expected Watergate type exposure on the secrets of wars in Afghanistan and Iraq. Since they have failed, Assange must have taken up this task in his own way.

Republican Congress member Ron Paul has recently expressed his disapproval by saying: "We should view WikiLeaks controversy in the larger context of American foreign policy. Rather than worry about the disclosure of embarrassing secrets, we should focus on our own delusional foreign policy. We are kidding ourselves when we believe spying, intrigue and outright military intervention can maintain our international status as a superpower while

our domestic economy crumbles in an orgy of debt and monetary debasement".

Chicago Tribune has gone one step ahead by saying on 9th Dec. 2010: "Surely, WikiLeaks and the newspapers have redacted some details, but the clues are there. It is safe to assume that all those documents on the website have been downloaded by the intelligence services of every country on Earth. Not just enemy or rogue states, but friendly nations as well". Then why create so much fuss & resistance?

Someone said, "The banks are too big to fail, and the media is too big to tell the truth". Why so much fuss about secrecy then? Too much of any governance is secret. Why? It is very simple. Those who have secrets hold power as well. Same is the case of big businesses. Bureaucrats in business and government of any country have always known this. Secrecy is power in politics, inner circles, insiders and the elite class of society. In private sector, secrecy is a power. It confirms wealth, privileges, access to the political inner circles etc. Industrial lobby is privy of such government secrets. It is said by someone that lobbyists now run America and own America. It is questioned by some: Is Congress in the

USA run America for the citizens?. The answer is 'No'. They are mere puppets, pawns for the huge conspiracy, an oligopoly, plutocracy, and monopoly all in one, a private club of America's richest few on Wall Street. Lobbyists are everywhere. There are 13,740 registered lobbyists in Washington, a total of 42,000 de facto lobbyists and one expert estimates 261,000 in the "influence-lobbyists-complex throughout America, as per Paul B. Ferrell, economist-Market Watch.

In an interview with Forbes (appeared on internet on 9.12.2010), Assange has said that the data of cables in possession of WikiLeaks are huge; and out of that above fifty percent is relating to corporate sector and banks. When these cables will be in open, and it is going to be very soon, huge attempts would be made to hunt the WikiLeaks people by those elite whose interests are jeopardized by spilling the bins in open. This will be a war against monopolists and the state protecting the same monopolists. This war is going to be a bigger blow to the capitalism when compared to imperialist power playing havoc in warfare in Iraq, Afghanistan and elsewhere in the world.

In answer to a question on 'free market', Assange says: "he is absolutely in favour of free market. He loves market. In the USA, everything is vertically integrated and sewn up; so you don't have a free market. To put it simply, in order for there to be a market, there has to be the information. A perfect market requires perfect competition. Intelligence agencies keep things secret because they often violate the rule, or good behaviour....so it is only the obvi-

ous that we want: Things concerning intelligence and war, and mass financial frauds. Because they affect so many people so severely". The interviewer from Forbes has said rightly: "Julian Assange is the prophet of coming age in voluntary transparency, the leader of an organization devoted to divulging the world's secrets using technology unimagined a generation ago".

Project of Sunshine Press

This is a new revolutionary step of correcting the perception of large population about the present world governance by using the technology. There was a need to stop all these exploitative tactics of developed countries in controlling energy resources from all over the world and also kill the innocent people. How long this *tamasha* would go on? There has to be someone to stop this Nazism at the earliest before imperialistic tendencies destroy not only a large number of people of this beautiful planet but also the world's important natural resources. It is said that only an individual matters for bringing in any revolutionary change. I think that individual has now arrived on the world scene. It is true that his entry is delayed. He should have appeared on the scene at least three or four decades earlier to stop mass killings and exploitation of a large population of this world. Let us therefore welcome Julian Assange as a savior of mankind in distress. Let the 'free press' take a clue from him to carry forward his mission without any reservation and become truly 'free press'. The media need to be out of clutches of multinational corporations to expose the same corporations' exploitative tactics by

keeping the secrets of vital importance for the population at large. Assange has recently voiced his concern about safety of his life as vested interests do not want his to continue his crusade to a logical end. The Media has to come forward to protect him and his mission. This is the testing time for the world media, which is working under the monopoly blanket. Today Assange is a most hunted man when compared to even Osama bin Laden. Some time he is branded as anarchist or even an idealist or a pack of jackals. Some see him a man of our time whose arrival on global scene was in fact overdue. His arrival was expected in the background of present financial manipulations by few rich and greedy people and nations. Someone has to 'correct' and 'balance' the collapsing human society. The number of people supporting his cause is increasing every day. Silent spectators of exploitative world have now realized the game and want to revolt against the imperialistic powers and stand by with Assange.

As per BBC, we have called forth the network age, and yet carried on in our daily life as if nothing has really changed. WikiLeaks is stateless, shapeless international new media non-profit-organization. The destructive power of the internet has been conclusively proved, and the old order has been provoked to respond.

WikiLeaks is the new journalism and it has totally changed the face of the journalism. Leaks are considered to be a media stock. How to use the stock by the media for the general welfare of the mankind is the decision to be taken by the media itself. The choice is now before us all. □□

The Third Alternative

The consumer society we have been trying to build is not sustainable. The government's job is to govern and regulate and not get involved in the commercial activities of its citizens to the advantage of some by encouraging needless production and borrowing, says Prof. G.K. Ramani

This article was written by Prof. Gyan Kewal Ramani especially for Swadeshi Patrika just a few days before his death, last year. His son thankfully sent us this article on the present economic scenario, at the annual death ceremony of Ramani ji. Late Professor Gyan Kevalramani, a professor of English in Delhi, served the Patrika for several years in editorial department. **Ed.**

The most commonly used paradigm for measuring a country's progress is supposed to be provided by Gross Domestic Product. The idea obviously is that the more a country produces the more prosperous its people are.

Most people do not realize that GDP is an artificial construct that measures goods and services but does not take into account or assign any monetary value to things like water pollution, deforestation, land degradation, health, education and many intangibles which are probably more crucial markers of human progress and happiness. Economic growth is resource-intensive. If depletion of natural-resource-wealth is taken into account in measuring GDP, we are bound to find that our Green GDP is significantly lower than the official GDP. According to some estimates, the quality of water in our rivers is so bad that, if taken into account, it could significantly lower our GDP.

In 1974, then king of Bhutan propounded the concept of Happiness Index. Surprisingly, 'Happy Planet Index', as it is called, puts India at a higher place than even the highly developed USA, and Bhutan ranks higher than India. Research shows, your approach to happiness depends mainly on whether you

had happiness in childhood or not and whether you had good relationships with your family when you were growing up. No doubt, the rich are more comfortable than the not so rich, but people who lack wealth can have more contentment than the rich. more money may mean an easier life, but it does not necessarily mean contentment or mental peace. Incidentally, it clearly shows how callously the rich countries are wasting the natural resources of the world.

Increased production, of course, makes sense only if you can sell more of your products. And this is possible only if you either increase the number of people buying your goods or persuade existing consumers to purchase more of your goods, even in excess of their real needs. All advertising is aimed at convincing people that they will be happy only if they consume and possess more things than they really need.

The producer is, of course, interested in maximising his profits not in maximising your happiness or prosperity. Even before exhausting local markets, he seeks profits abroad by exporting his goods. Instead of catering to the needs of his own countrymen he invests in exports to increase his profits, even if he has to do it by

borrowing money left and right. In an ideal world it might be good to integrate economies of various countries through exports, each country focussing on what it can produce best and most economically. But we are not living in an ideal world. Every country is looking for opportunities to exploit and dominate every other country. America makes no secret of its intention to dictate to the world. So does Russia. Britain is nostalgic about the times when the sun never set on its empire. It may not be brash enough to say it, but, given a chance, it would be happy to revive its colonial past.

Economists have pointed out that the falling demand in the West is sparking the sharpest drop in the world trade in 80 years sending the sales of products and commodities of poorer nations spiraling down. Duncan Campbell, Director, Economic and Labour Market Analysis, ILO (Geneva), pointed out that regions that are the most open to the world economy and dependent on trade are the worst affected by the economic malaise that has dogged the world. India, he explained, has not suffered much because it is not too dependent on the global economy and has a large domestic economy.

What happens when people

do not have the money to buy goods they do not need? You must persuade them to borrow. The entire lending and Credit Card system is founded on this principle. The result is that instead of first saving and then spending, people are induced, through high-pressure tactics, to borrow and spend recklessly and then be unhappy when they find they are unable to pay



back the money they have borrowed and spent on things they had no need of. I once met a person who proudly boasted he had 35 Credit Cards. He thought he was clever enough to manipulate his Credit Card borrowings to his best advantage. I doubt it.

This habit of borrowing beyond one's earning and paying capacity and the culture of instant gratification that our merchants and bankers, and even our economists and misguided governments, have been promoting, has distorted our entire social life and weakened our moral fiber. Violence has always resulted from the desire to acquire material possessions beyond one's requirement.

The entire economy is becoming debt-based. The individual tries to buy more and more by borrowing more and more. The producer borrows more and more to produce more than the people actually need. The trader borrows more and more to stock more goods than he can normally sell, or hoard them until he can extract a higher profit. And the government runs higher and higher deficits in order to spend more. Even the banks are living beyond their

means by lending more and more on fewer and fewer real assets. How can you sustain such an economy — this borrower's economy of greed! We saw the consequences in the so-called developed countries where there is a definite shift from real economy to an artificial and speculative economy. According to one analysis, the size of the global 'real economy' in which goods and services are actually produced and traded is estimated at \$ 48.1 trillions. On the other hand, the size of global 'financial economy,' the total amount of stocks, securities and deposits, add up to \$151.8 trillions, more than thrice the real economy.

Let us face the truth. The consumer society we have been trying to build is not sustainable. If A produces something that B needs and buys from A, it's OK. If A produces more in order to boost his profits and persuades B to buy his goods even in excess of his needs, it's perhaps OK too, although it causes unnecessary depletion of resources. But if the government jumps into the game and tries to boost production by virtually forcing banks to make borrowing attractive and pushes more capital

into the market by deficit financing, it can't be OK. The government's job is to govern and regulate and not get involved in the commercial activities of its citizens to the advantage of some by encouraging needless production & borrowing.

There is no doubt that such reckless borrowing is a recipe for unhappiness decried by wise sages throughout the

world. We should learn from the experience of the Western world which is suffering from the crisis of excessive indebtedness. Sometime back, Los Angeles Times pointed out that the average household debt had reached 141% of disposable income in US and 177% in Britain. Banks are even worse, it said. Some of the best-known names in American and European finance, it said, had liabilities 40, 50, and even 100 times the amount of their capital. Unfortunately even governments, whose duty it should be to control greed and its consequences, have entered this tempting race to live beyond their means by calling it deficit financing.

Every rich country, even many emerging ones, have tried to bolster demand with fiscal stimulus packages being doled out to the big capitalists holding out their begging bowls. No wonder, the people who know and understand are not happy at the governments spending billions of their hard-earned money to bail out financiers whose risky lending and investment practices have caused the crisis in the first place. An American economist (Rosa Brooks, LA Times

19/2/09) has estimated that if the American government were to divide the estimated bailout price tag (\$8.7 trillion) it could send every single American household a cheque for nearly \$80,000. An ordinary American could surely put that money to better use buying needed goods, starting a business, or sending his kids to college. Significantly, the stimulus offered by the government to the rich companies is already fast wearing off and America, some economists fear, may wind up in a depression it has never seen.

Governments and their economists do not seem to realize that even pushing in more money has its limitations. All its hopes of economic growth are calculated on a pre-crash economic model which assumes an endlessly rising consumption, rising house prices & the resulting consumer borrowing, the very same factors that contributed to the present economic crisis. The truth, however, is that such crises & recessions are an integral part of the capitalist system that we are trying to implement. And, by all accounts, such crises will keep recurring.

The capitalist system of private enterprise is identified with profit-making as the sole aim of business. There is no place for morality in it. It always comes with crassness and exploitation of men and materials. In the race for increased production and profits, we seem to have ignored the heavy cost we have been paying in terms of deforested hillsides, depleted groundwater, polluted atmosphere and disappearing ozone layer. How can such an economy based on greed & exploitation be successful?

And yet that is the model of development being touted as

worth pursuing! As the former RBI governor Y.V.Reddy pointed out recently, “you cannot proceed with a model that has failed universally.” Let us admit, the old model has collapsed. It is time we thought of introducing a new financial architecture. In one of his latest cyclical, the Pope too has condemned the capitalist system of economy as “obsolete” and sought its replacement by a new order driven not exclusively by profit motive which leads to inequitable distribution of wealth. He recommended a decentralized system of small enterprises. Exactly the recipe Hindu savants like Deendayalji and Gandhiji had been recommending. What this implies is that business should be guided by dharma and the government should ensure this without undue interference.

Incidentally, industrial activities release pollution at a speed much faster than the absorption capacity and recreation cycles of nature.. Unnecessary and extravagant consumption is a real threat to the future of our human civilization and the planet itself, as we seem to be realizing belatedly. Various estimates in the U.S. show that between twenty-five and fifty per cent of all food produced there is wasted. Besides, each American dumps about 140 kilograms of packaging material every year. The situation is no different in other countries that are trying to copy the West and its wasteful ways. There is a close link between how we live today and the sustainability of life on earth tomorrow. Knowing that the planet’s resources won’t last forever; can we afford our present throwaway lifestyles and exploitative practices? Oscar Wilde’s observation that ‘nowadays people

know the price of everything and the value of nothing,’ is significant. In a recently published book: *The Value of Nothing: How to Reshape Market Society and Redefine Democracy*, it has been revealed that the ecological and social cost of a simple hamburger is many times more than its market cost.

Our low rankings in the crucial human development indicators show quite clearly that the dividends of our developmental efforts are not reaching the grassroots. Take the Global Hunger Index of the International Food Policy Research Institute (IFPRI). According to the Index, India ranks below even Bangladesh in two important components — underweight children and child mortality. (Verify) All this puts India third on the malnourished children’s chart from the bottom. As per the recent World Bank estimate, 41.6 per cent of Indians are currently living below poverty line, earning less than \$1 or Rs,40 a day. At \$2 or Rs.80 a day, the number of the poor goes up to as much as 80 per cent’. The remaining 20 per cent who are non-poor get almost \$10 or Rs.400 a day. And the non-rich pay the bulk of taxation. The burden of the indirect taxes also falls disproportionately on the poor than on the rich. The factor fueling public resentment over the salaries and bonuses paid to corporate CEOs is the feeling that so many huge profits go into the hands of undeserving rich. A woman who once ran New York’s most expensive escort services, claimed recently that Wall Street lawyers, investment bankers, CEOs and media executives often used corporate credit cards to pay for expensive prostitutes. You can bet that the Indian rich are no saints. Already Greece

and some other countries are accusing American banks and the Wall Street executives of criminal mismanagement, or even fraud, as the cause of their economic woes and are thinking of suing them.

Pandit Deendayalji and Mahatma Gandhi advocated a decentralized model of economy — family units, cottage industries etc. — where people work for living and not for profit. There is a new philosophy, called the 100-Thing Challenge, in California, U.S., which encourages a simpler, clutter-free lifestyle and discourages the accumulation of unnecessary goods other than basic furniture and the needed clothing. Our Dharmashastras advise 'aparigraha' i.e moderate consumption of materials that bountiful nature provides for our needs rather than accumulation of unnecessary goods that greed dictates.

In the present economic model, an overwhelming majority is finding it difficult to fulfill their basic needs while a few are wallowing in luxury. Our low rankings in the crucial human development indicators show quite clearly that the dividends of our developmental efforts are not reaching the grassroots.

By all accounts, the financial crisis happened because of unbridled consumption and credit expansion. A sound economy should be based on real needs and not on artificially created needs. Obviously, the best way out is to persuade people to reduce unnecessary consumption and avoid borrowing as far as possible. Instead, people should return to the traditional practice of controlling their artificially inflated needs and saving first and then spending.

Those who control the economic life of the people should

settle upon the optimum requirement of goods and ensure production of those goods and their equitable distribution. After that the production should increase only to the extent of growth in population and people's legitimate needs. It is not the government's job to ensure endless increase in production to feed the greed of those who do not care for the health of the planet. The government's job is to ensure the availability of the basic requirements of the people and to see that no one is deprived of his proper share. Our Dharmashastras are quite clear that when a person accumulates things beyond his needs he is depriving someone who needs them for his use, besides wasting national resources on superfluities. The best is to avoid the production of superfluous goods. In the U.S. , according to a report in the Los Angeles Times, towns that constructed houses and malls only when there was real demand for them, were able to avoid the economic downturn and consequent loss of jobs that bedeviled the rest of America where shopping centers and even houses were built on speculation rather than demand .India was able to avoid the deleterious effects of the downturn because of the people's relatively modest lifestyles and the tendency not to speculate with their money.

Back in old days , no one bought land on speculation or to make a profit. Everyone wanted to buy a piece of land to build a shelter from his savings post-retirement. Nobody thought of gambling or speculating with borrowed money. Nowadays, everybody wants to gamble, even on borrowed money, and the banks are anxious

to oblige them with hefty loans.

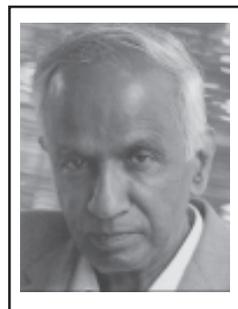
Lately, we have been hearing many voices asking the government to regulate the economy. No doubt, the government is there to regulate. But it has to regulate greed and hyper-speculation' and control the artificial economy that has been growing to the extent of virtually replacing the real economy.

There are people, mostly business speculators themselves, who argue that markets should be allowed to regulate themselves since they have their own corrective mechanism. One might as well allow anti-social elements to regulate themselves. Why has the govt.?

The government must not forget that our economy is largely agriculture-based, as every economy should be. Food-security has to be the primary concern of any responsible government. It is also desirable because it is the best way to ensure large-scale employment. Thailand, when faced with a crisis some 10 years back, refused to implement an employment insurance scheme. Their argument was that they had their lands to fall back on.

The government should also take immediate steps to make depletion of natural resources wealth a key component of its measurement of GDP in the process of economic expansion, .It will find that our Green GDP is significantly lower than our present GDP as economic growth is resource-intensive. Instead of trying futilely to imitate the failed socialist model or the greed-based Capitalist model of economic growth, should we not try the path shown by the Indian sages like Aurobindo, Vivekananda, Deendayaljee, and Gandhiji, the path of simplicity and self-employment? □□

Remembering Astrophysicist Dr. S. Chandrasekhar



Dr. S. Chandrasekhar

“Lives of great men all remind us, Footprints on the sands of time”. - Long fellow

Subramanyam Chandrasekhar was born as the third child of Shri C. Subramanyam Iyer (popularly known as C.S. Iyer) on 19th October 1910. Shri C.S. Iyer was an Accountant General in the Government of India and was considered a connoisseur violinist.

Chandrasekhar, after initial tutoring at home was admitted in Hindu high School, Madras (known as Chennai, new-a-days). He had his good innings in the school as a bright student. His caring and affectionate nature endeared him to one and all around him. His classmates as well as teachers were overawed by his personality and brilliance.

After completing his Secondary Education, Chandrasekhar studied the B.A. (Hons.) in Physics at Presidency College, Madras. He was an outstanding student who was very popular among teachers as well as his fellow students. So, he was also the Secretary of the Physics Association of his college. It is said that Chandrasekhar impressed the visiting dignitary with his erudite scholarship. It is also said that the visiting professor wrote a letter to Sir C.V. Raman, Chandrasekhar's paternal uncle, eulogizing Chandrasekhar and identifying him as a budding scientist.

Chandrasekhar's first scientific paper entitled, “Compton scattering and new statistics”, was pub-

lished in the proceedings of the Royal Society when he was barely 18! Two more papers were also published in the ‘Philosophical Magazine’, when he was still a student. Chandrasekhar's brilliance became readily manifest and attracted the attention of the Government of India. He proceeded to England to do research under Prof. Rolph H. Howler, in the Cambridge University.

Chandrasekhar went to England in 1930, when ‘the Sun never sets in the British Empire’, was the order of the day! Sometime later, as his period of scholarship expired, he addressed a letter to the High Commissioner of India in Britain requesting an extension of his scholarship. The then High Commissioner of India shot back an arrogant reply stating that extensions of scholarships were usually given only in cases of extraordinary merit and asking him to justify his claim! Chandrasekhar was furious and wrote back to say, “There are better people than the High Commissioner in the universe to judge my talents”. The agitated High Commissioner wrote a letter to the Principal, drawing his attention to the arrogant reply given by Chandrasekhar. “Any encouragement extended to Chandrasekhar will be in the best interest of science”, was the reply given by him. The High Commissioner of India

in Britain had no choice but to extend the scholarship!

Chandrasekhar stayed in England and worked in the Cambridge University for a period of six years. While on his voyage to England, he was fascinated by an astronomical problem – How does the death of a star take place? He worked on this problem extensively for the next few years at Cambridge and concluded that stars 1.44 times smaller than our Sun – the Solar mass around which our earth and the other planets of the solar system move become ‘white dwarfs’, while stars whose mass exceed 1.44 times the Solar mass explode and end as Super Nove or become Neutron Stars or Black Holes (in which the gravitational pull is so pronounced that even light cannot escape then)! This limit of 1.44 times the Solar mass is widely known as “Chandrasekhar Limit”. Finally, in 1933 Chandrasekhar earned his Ph.D. This was accompanied by his election as a Fellow of Trinity College.

In Jan. 1935, Chandrasekhar presented his findings on collapsing stars in a meeting of the Royal Astronomical Society at London.

Chandrasekhar applied quantum physics to the internal structure of stars and presented his exciting findings before an elite audience. He was confident of attracting the attention of the lead-

ing astronomers and astrophysicists. After his lecture, the world famous British Astrophysicist Arthur S. Eddington addressed the audience on the same subject of collapsing stars.

He started demolishing the mathematical arguments presented by Chandrasekhar and condemned his irrelevancy of application of quantum theory to astrophysics. Eddington ridiculed his findings saying, "I think there should be a law of nature to prevent a star from behaving in this way" when the audience burst into loud peels of laughter.

Chandrasekhar too had to suffer humiliation – temporarily, at least for sometime. Eddington was considered an apostle of astrophysics. Nobody dare contradict him. The young Chandrasekhar was barely 25 and he found it very difficult to defend his position. Opinion of astronomers and astrophysicists in the assemblage gravitated to that of Eddington's towering personality. Though Chandrasekhar was flabbergasted, he did not lose heart. Chandrasekhar convinced eminent scientists like Niels Bohr, Wolfgang Pauli, W.A. Fowler and many others. They found him flawless but were dumbfounded. In spite of the fact that later observations settled the issue in favour of Chandrasekhar, he retained his regard for his senior in the field, Sir Arthur Eddington throughout his life.

At this point of time, Chandrasekhar felt that his chances of procuring a job in Cambridge was practically nil. Hence, he decided to take up a job in Chicago University where he was invited to deliver a lecture in 1935 which was followed by an offer to join Yerkes Laboratory of Chicago. He took

up the assignment in 1937, after visiting India in 1936 & getting married to Lalitha who was also a graduate. The work culture there and the healthy environment was highly conducive to a scientist of Chandrasekhar's stature. Chandrasekhar, known among his students & colleagues as 'Chandra', rapidly rose to the position of an Assistant Professor in 1942 & to that of a full fledged Professor in 1944.

Chandra was highly devoted to his students. In 1946, he used to drive a distance of 250 kilometers (mostly in the company of his wife Lalitha who shared his driving ordeal) from his observatory to Chicago University, to teach a class of two Chinese students. Since he valued their precious time, he was invariably punctual in reaching his destination. No wonder, both his students get the Nobel Prize for Physics in 1954.

Chandrasekhar had his own way of working. He diversified his scientific interests which prevented his mind from becoming stale. Whether it was Stellar Dynamics (which deals with the evolution of galaxies) or Radiative Transfer and Stellar Atmospheres or on Weapons of War or on Hydromagnetic stability or on the highly complicated phenomenon of Turbulence or on the Equilibrium and Stability of Rotating Liquid Masses or on Pulsars and Quasars or on the General Theory of Relativity, Chandra adorned whatever he touched. Chandra, the scientist totally dedicated to his profession, not only declared that his first loyalty was to science but also sacrificed much of his other aspirations to quench his thirst for research. Chandra was a multifaceted personality. He enjoyed good and

sweet music, loved literature, interested in travelling, meeting people and discussing public affairs whether they were of US or of India. He was a patient listener too.

Chandrasekhar visited India in 1950's, more than once. During his first visit, he called on Shri M. Bakthavatsalam, the then Chief Minister of Tamilnadu, appraised him of the valuable contributions of Ramanujam to mathematics and informed him how his contributions have helped the modern science to advance by leaps and bounds. Finally, he drew the attention of Shri M. Bakthavatsalam to the plight of Matushri Janaki, the widow of Ramanujam, and requested him to arrange a life time pension for her. During his next visit, shortly after, Chandrasekhar met Shri M. Bakthavatsalam again, when he was given to understand that a monthly pension amount of Rs. 100/- was arranged for Mathu Shri Janaki. Chandrasekhar pleaded with him to increase her pension amount and accordingly the Government of Tamilnadu increased the payable amount of pension to Rs. 300/- per month.

Chandrasekhar believed in hard and methodical work. According to him, great men are seldom born, they only achieve greatness. No wonder! Chandra was awarded the Nobel Prize for Physics in 1983. He continued his work with unabated enthusiasm on the theory of Black holes till his demise on 21st August, 1995. A satellite launched by USA to study X-ray radiations in space is zooming in the universe. It is appropriately named 'Chandra', the name by which Chandrasekhar was dear & near to his students & associates! □□

(K.S. Iyer)

Emerging India, Failing State:

Economic lessons from the first decade of the twenty first century

The family orientation, combined with the self dependent attitude and the entrepreneurial spirit of Indians, compels them to promote different ventures, however small they might be. As a result, new initiatives are continuously being taken at different levels, making India as one of the most entrepreneurial nations in the world, explains P. Kanagasabapathi

Historically speaking, the twenty first century is important to India in more than one way. Beginning from the eighteenth century, for around two hundred years of the second millennium, the country was under the domination of the British. Indians could not do much on their own under the oppressive alien forces. India was suppressed cruelly and her citizens had to face untold miseries. The native systems that had made India a unique nation since the ancient days, with contributions of the highest order in almost all the fields of human activity, had to suffer and die. The country was compelled to do away with and forget the knowledge and expertise gained through experience over many centuries.

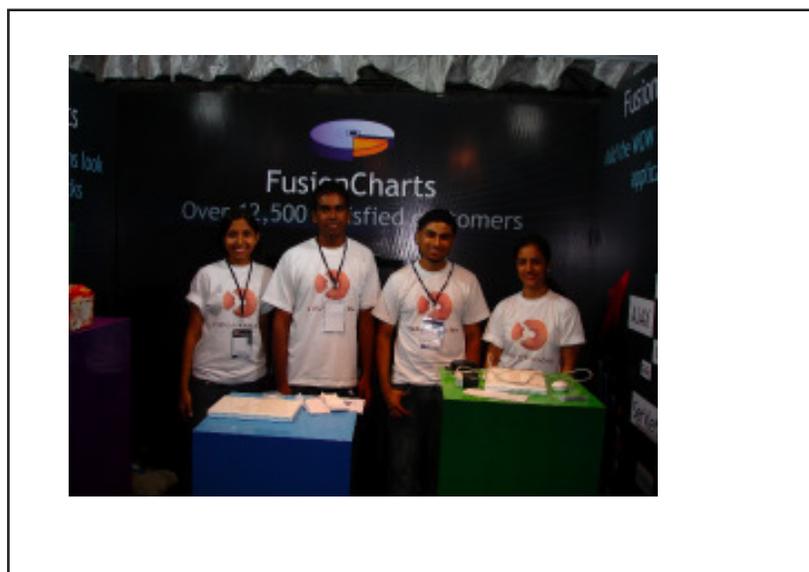
In fact, the Indian economy had to face difficulties from the invading forces for many centuries even earlier. Beginning from the end of the first millennium, the second millennium saw a continuous stream of outsiders pillaging the country and interfering with the native practices that made the country prosperous and peaceful at the same time. Hoards of wealth were swindled out. Different parts of the country were ransacked and many regions came

under the domination of outsider-rulers, inflicting serious pain on the native population.

Indians withstood all the onslaughts with courage and rebuilt the systems to the maximum extent possible, though scars remained all over their bodies. As a result, as the OECD economist Maddison has shown, India was the largest contributor to the global economy even in 1700 with 24.4 per cent share. It is relevant to know that India's contribution to the global economy was an astonishing 32.9 per cent during the beginning of the first millennium. The share of India stood at 28.9 per cent a thousand years later,

maintaining her position as the most powerful economy in the world throughout the period, followed by China. But things began to change drastically during the British domination, initially through the East India Company and later under the British sovereign rule.

The native systems that had sustained the economy continuously for hundreds of years were systematically destroyed by the colonialists. Hence at the time of Independence, India was reduced to a poor and underdeveloped country. 45 per cent of the population was living below the poverty line around that period. The industrial and business sectors were very



weak. India's share of trade was very low. The agricultural sector was over populated. Literacy rate was around 17 per cent. This situation led to loss of respect for the country at the international level.

With Independence, the country got the opportunity to frame her own economic policies based on the priorities and preferences of her people. It was necessary to formulate an independent policy framework as India had prospered as the most successful economy possessing superior systems of functioning for most of the time in the history. After the country fell into the hands of the alien elements, she could not continue her style of functioning making use of her time-tested native systems, as the motives of the rulers were different. Hence Independence presented the country with a historic opportunity to set things right, rectifying the mistakes of the alien classes that ruled us during the previous centuries, and move forward with a clear vision. But unfortunately the ruling sections did not have a proper understanding of the history of this ancient nation, and so looked outside for ideas to frame policies for deciding the course of action to be followed. Ultimately they chose the socialistic model, conceived in the west less than two hundred years back as a reaction to the circumstances then prevailing there, based on their limited experience and turbulent history.

Later when the socialistic ideology was discarded even in its own favorite grounds such as the USSR and China, it began losing its appeal. Meanwhile the Indian economy was facing serious difficulties on certain grounds. Hence



after about forty years of experiments, the establishment realized that they would not be able to fulfill the objectives with policies based on a flawed economic idea. Circumstances compelled them to look for a change. At that time, history presented another opportunity for the country to formulate policies that would make use of all her potential and make people participate in the progress and share the benefits with joy.

But alas, the ruling segments once again believed that only the ideologies borrowed from the west would make the country better off. This time they chose the free market ideology as the panacea for the ills affecting the country. It was again adopted without any serious discussion or debate at the national level. The decision on such a vital subject concerning the future of one sixth of the humanity was decided by a few at the top, with the tacit acceptance of the elite and educated. Hence the nation was forced to follow another philosophy born and brought up elsewhere, based on their own narrow views and outlook about the society and the economy.

As a result, the country still has

more than one fourth of the population going to bed without food three times a day. The agricultural sector, which is critical for us, has been facing severe crisis. It is a shame that no tangible steps are taken to revive the sector, even when farmers have been committing suicides. The easy entry of the multinational corporations has forced many of the traditional, small and medium scale industries to close down. Financial markets are increasingly controlled by the foreign institutions. The establishment does not have any clue to decide the future course of action, as the dependent mindset still dominates its thought process.

In a period of six decades, India has emerged as the fourth largest economy in the world, with the second highest growth rates. The global economic crisis that devastated most of the richer parts of the world, could not affect India much. Indian businesses have spread to different parts of the world. The corporate sector is in an expansion mood diversifying its activities in distant lands and buying foreign entities, wherever possible. The family based non-corporate sector has silently been contributing a dominant share to the growth of the economy. The Indian economic and business systems are increasingly being recognized the world over as worth studying for emulation. No other country in the world has seen such a turnaround in a period of just sixty years. The country which remained neglected during much of the second half of the twentieth century is now being looked upon as a model for the future.

What is the reason for such a progress in such a short period of

time? How could a country that was decimated by the aliens with brute force make a comeback and emerge as one of the top two promising nations in the very first decade of the twenty first century? How is it possible for a country to move up continuously at a steady and fast pace, even when her policy makers remain confused to identify a suitable policy framework? The answer lies in the functioning Indian systems.

The economy is family driven, society dominated, highly entrepreneurial and self dependent. The family orientation of Indians makes people save as much money as possible so that the future would be secured. India's rate of saving was 8.6 per cent of GDP during 1950-51, even when about half of her citizens were starving for food. Compare this with the negative and near zero saving rates of many of the richer countries today. The rates of saving have been continuously on the rise throughout the last six decades, contributing enormously to the growth of the economy. As a result capital formation took place at a faster rate without much difficulty, leading to investments in productive activities. It is only in this context that the Reserve Bank of India has recently noted that 95 per cent of the Indian economy is being financed by the domestic finance.

The family orientation, combined with the self dependent attitude and the entrepreneurial spirit of Indians, compels them to promote different ventures, however small they might be. As a result, new initiatives are continuously being taken at different levels, making India as one of the most entrepreneurial nations in the world. The types of

enterprises that are functioning in the country are of different sizes and varieties. Economic Census 2005 estimates that there were 41.83 million establishments operating under the category of the unorganized sector, providing employment to more than 100 million persons. We have to remember that these are all the units promoted by people from the ordinary & under privileged sections of the society through their own efforts.

On the other end of the spectrum, there were more than 7, 86,000 companies during 2009, as per the details provided by the central Government. In between these two smaller and the bigger types of organizations, there are millions of small and medium units spread across the country. Earlier the Government of India estimated that there were 2042 clusters engaged in a wide variety of industrial and business activities. The contribution of these clusters in terms of entrepreneurship, employment, output, innovation and turnover is very significant to the economy. It is important to remember that these clusters were developed by the local entrepreneurs themselves, without the involvement of the state and state machineries. Many of these clusters such as Surat and Tirupur are synonymous with their products at the global level.

For more than a century before independence, India's rate of growth was either around zero per cent or negative. Starting from a very low base, the economy picked up quickly with an average growth rate of 3.5 per cent during the first three decades beginning from the 1950s. The rate steadily increased thereafter to 5.5 per cent during 1980-90, & 6 per cent in the next

decade. It averaged more than 9 per cent during 2005-06 to 2007-08, before going down to 6.7 per cent in 2008-09 due to the global economic crisis. The economy started recovering quickly with the growth rate touching 7.4 per cent during 2009-10. There has been a continuous growth over the last six decades, in spite of the confusions & contradictions in the policy making circles.

We are in a paradoxical situation now. On the one hand, there are serious problems threatening the stability and future of the economy. The ruling establishment does not seem to understand the gravity of the situation and take immediate steps to address the issues. On the other hand, all the international bodies, research firms and think tanks unanimously agree that the Indian economy would continue its growth momentum in future to ultimately over take China and move forward. India is increasingly being looked upon by the rest of the world as a performing economy with a lot of potential for further progress.

What does this signify? It clearly shows that while India is emerging, it is the state that is failing. This is the lesson we learn after the close of the first decade of the twenty first century. India, with her abundant energy and native strengths, has been constantly struggling to move forward through the hard work and commitment of her citizens, whose roots remain firmly in the tradition and culture of this great nation. But the state, with its colonial mindset and borrowed thinking, continues to fail the country even after sixty years. Is it not time for the state to take stock of its role and rectify its mistakes?

(The writer is a professor of management and author. He can be contacted at pkspathi@gmail.com)

ENDOSULFAN pesticide should be banned in India

A kerala child victim of endosulfan, who will hear him?

I think that the latest threat to agriculture by multinational companies is the use of Endosulfan. Our fiend from Kerala Biju raised this issue in the latest SJM meeting in Delhi. Strange thing is that It has been banned world over and out government is not thinking the last about it despite warnings by Kerala governments time and again. Now, The National Human Rights Commission also has slammed the government for opposing the ban on the endosulfan pesticide, stating that this position 'has led and will continue to lead to grave violations of human rights'. In an order dated Dec 31, 2010 NHRC has recommended that the government should 'take administrative and legislative action to ban the use of endosulfan' throughout the country.



people of Kasaragod. Mr Thomas conveniently ignores the fact that many of the findings of studies conducted in Kasaragod have been cited by many of the more than 60 countries that have banned the manufacture, import and use of Endosulfan. Research has shown that Endosulfan acts as a neurotoxin compound in human beings and also has an adverse impact on fish and other animals that are part of the food chain.



The Moving Pen

kashmirilal@rediffmail.com

The US Environmental Protection Agency, which earlier allowed restricted use of Endosulfan on tomatoes, cotton and other crops, has stopped all uses of this pesticide in June this year, citing health risks for farm workers and wildlife. Yet, the Government of India refuses to act against this death and disease causing chemical which continues to claim a heavy toll in Kerala, impacting the environment, biodiversity and people.

tims themselves are the strongest and most compelling evidence of how lethal Endosulfan is. What may come as a greater shock is that while most of the Governments represented at the Stockholm Convention of the Persistent Organic Pollutants' Review Committee took a stand in favour of a global ban on Endosulfan, India opposed it. If the Government does not impose a national ban on this and other killer pesticides, it will do so at the country's peril. Alarm bells are already ringing in Punjab as water bodies and the soil

are being found to be poisoned with pesticides. A national ban has become all the more necessary because despite a ban on Endosulfan by the Kerala State Government in 2000, the lethal pesticide is being smuggled in from neighbouring Tamil Nadu for use in cardamom and tea plantations. So in every state and main places agitations should be held to propagate this issue. What do you think?

Superbug NDM-1 theory foiled: A slap on the face of MNC's

Have you heard about the latest conspiracy of multinational allopathic companies to defame India which has been foiled? The editor of The Lancet, Richard Horton, has said naming a super bug after New Delhi was an "error", and has apologised. Previously it was claimed that some Europeans returning from South Asia had been found infected with a bacteria carrying a drug-resistant gene last year, which had been named New Delhi metallo-beta-



lactamase, or NDM-1, as the first patient had flown from Delhi to Sweden with the infection.

Acknowledging this was a mistake, Horton said, that in future they will take that such things are not repeated. A study published by The Lancet in August 2010 had said NDM-1 made bacteria resistant to almost all antibiotics, including the most powerful carbapenems. After the Indian government objected, the study's lead researcher, Timothy R Walsh, even told the press that it was not new to name bacteria after a city.

We should know that India also provides cosmetic surgery for Europeans and Americans, the Indian Council of Medical Research had alleged then that there was a bias in the report and said it was an attempt to hurt medical tourism in the country that is taking away huge custom from the hospitals of the West. It was alleged that there was a big conspiracy by international pharma industry to deface Indian rising cosmetic surgery industry, which was a challenge to the western world. India medical tourism industry is projected to bring in 2.3 billion dollars by 2012.

One strange thing is that so many diseases from the western world but none has been named

by the place of origin. For example mad cows, AIDS, anthrax, etc. all are of European origin, but the cities' names are attached to this, why this bias against India. I think this news, though almost ignored by Indian media as well, should be well-advertised and brought to the notice of common man so that in future also public should remain alert about the nefarious designs of western multinational companies who are at the background of such conspiracies to defame India.

(Courtesy: publishers)

5th Prantiya Sammelan of Odisha held in Puri



It was held in Puri, and Swami Sachidanand Maharaj inaugurated the Sammelan. 213 activists from 12 Districts & 48 places, participated in it on 29th and 30th January 2011.

A memorandum was submitted to the District Collector against Vedanta University which synchronised with the filing a case in Supreme Court a day earlier. Three resolutions were passed. Sh. Sarojda, Kashmirilal, & other participated.

Thousands march against corruption

Holding aloft banners and

shouting slogans against rising levels of corruption in the country, thousands of people from all age groups stepped out of their homes to demand an effective anti-graft law.

Streaming banners that read 'Corruption: Enough is enough' and 'Common people are raped in government offices', the protestors gathered at the Ramlila Ground, from where they walked to Jantar Mantar. Former Indian Police Service officer Kiran Bedi, social activists Anna Hazare and lawyer Prashant Bhushan were among the key participants in the rally, which coincided with Martyrs' Day, the death anniversary of the Father of the Nation Mahatma Gandhi.

The march was part of the 'India against Corruption' movement being built up by some social organisations demanding passage of the Lokpal Bill in the budget session of parliament with necessary amendments.

Some eminent persons have come together and drafted an anti-corruption legislation which seeks to create an independent, empowered, transparent and accountable anti-corruption agency called Lokpal.

"The Lokpal bill prepared by the public is so effective that it will eradicate corruption in next two-three years. Political parties should support the passage of this bill as the Lokpal suggested by the government is only a showpiece," eminent lawyer Shanti Bhushan said while addressing the rally here.

According to activists, the government is making Lokpal an advisory body, which will only recommend to the government to prosecute its corrupt ministers. □

Facing Telangana-heat at Nalgonda, CM loses cool

Chief Minister of Andhra Pradesh Kiran Kumar Reddy breathed fire and brimstone on Telangana leaders and activists saying his government would not be cowed down by their agitations and sloganeering. But hours later, the chief minister beat a hasty retreat at a Rachchabanda meeting in Kondamallapalli in Nalgonda district as the protests turned violent and cops resorted to lathicharge and bursting of teargas shells. The protesters damaged nearly 50 vehicles as they fought pitched battles with the cops. Tension prevailed in the village till late in the evening.

T-protagonists at the Kondamallapalli Rachch-

abanda demanded tabling of bill on T-state during the budget session of Parliament. Despite the CM's pleas, they shouted 'Jai Telangana' slogans. When the activists did not relent, the CM lost his cool and ended his meeting abruptly and the police removed the protesters from the venue.

The irate activists regrouped and started hurling stones from outside the venue. Police used lathicharge and teargas shells to disperse the mob. Devarakonda DSP Ahmed Ali and four cops suffered injuries in the stone-pelting. Several protestors also suffered injuries in the melee. There were nearly 5,000 cops in the small village for the CM's meeting. □

Mobile tariff may go up

In a major shift in policy that may make mobile telecom services costly, Telecom Minister Kapil Sibal has said henceforth all operators would have to pay market price for initial as well additional spectrum. Delinking spectrum from the licences in the aftermath of the 2G scam, Sibal said, "In future, the spectrum will not be bundled with licence. The licence to be issued to telecom operators will be in the nature of 'Unified Licence' and the licence holder will be free to offer any of the multifarious telecom services.

"In the event, the licence holder would like to offer wireless services, it will have to obtain spectrum through a market driven process," he told a press conference. As of now the telecom operators were getting spectrum bundled with the telecom licenses which had paved the way for low tariff regime and intense price war among the service providers. But now, the new operators, if their licences are held valid, would have to pay a market price for the additional 1.8 Mhz of 2G spectrum and this may make their operations financially unviable.

For the old operators like Bharti, Vodafone and Idea, who are holding spectrum beyond 6.2 Mhz, they would have to pay market driven price for the extra airwaves. These changes would be implemented with immediate effect, Sibal said.

Rs 400 cr plot for just Rs 5 cr

Four officials of registrar societies and the director of a major private developer have been booked by the vigilance bureau of Haryana for colluding to

auction a property worth Rs 400 crore for just Rs 5 crore. Just four people took part in the auction, which wasn't advertised, and in 24 hours readymade possession certificates were handed out.

The vigilance bureau lodged an FIR after a five-year-long inquiry. Four government officials, now retired, allegedly colluded with Vipul Infrastructure Developer Ltd and auctioned a 10.6-acre plot earlier allotted to Mount Everest Housing Society in Gurgaon. The FIR registered at Civil Lines police station has named then-assistant registrar A S Dagar, deputy registrar Zile Singh, ex-inspector of registrar office Ajit Singh and ex-sub inspector of the registrar office, Maha Dev Singh, as accused. Punit Beriwal, a director of Vipul Infrastructure Developer Pvt Ltd, and Ashok Sharma, member of the housing society, have also been named. Bought in 1994-95, the current price of the land, due to its location and acreage, is estimated at Rs 400 crore. Members of the society and the vigilance department alleged that in 2003, the accused held a sham auction.

NSSO to conduct fresh survey in 2011-12

The government could wait for two more years to factor in the country's latest poverty and unemployment rates into its policy-making. The socio-economic status of the nation's 1.2 billion citizens is gauged by national sample surveys on consumer expenditure and employment. The findings of the latest survey, conducted in 2009-10, would be released this April. "It (2009-10) was an abnormal year with the global slowdown hitting urban areas and the drought affecting rural India, so all the results have gone hay-

wire," a senior government official media. "They won't represent actual poverty and unemployment status due to the unusual circumstances and would have limited utility in policy making," he said.

With a view that the results from a bad year for the economy are not comparable with past data, the National Sample Survey Organisation (NSSO) has been told to do the entire exercise all over again – with unprecedented one off surveys on employment and consumer expenditure in 2011-12. "The 2011-12 surveys are a one-off exercise and would enable quick comparison to examine the impact of the recession on India and its aftermath," India's chief statistician TCA Anant said. Conducted every five years, the last official survey on consumer expenditure and employment was done by the National Sample Survey Organisation (NSSO) in 2004-05. At the time, India's unemployment rate was pegged at 2.8% and a poverty rate of about 27% was estimated.

The unemployment rate for India's 424 million-strong workforce had reached 9.4% in 2009-10, according to the first-ever household-level national employment survey conducted by the Labour Bureau. The bureau's study, however, had a smaller sample size than the NSSO. "Policy isn't a mechanical translation of data," Anant stressed. "It is up to the Planning Commission to decide to what extent it uses the poverty level suggested by the 2009-10 data to benchmark poverty-alleviation schemes' targeting, for instance," he said.

Euro debt could mar growth

India's top two IT outsourcing firms Tata Consultancy Services and Infosys worry that Europe's debt crisis and rising inflation at home could slow the growth that they have enjoyed in recent years. In interviews with Reuters at the World Economic Forum in Davos, the chief executives of both companies said business remains good in 2011, but in the longer term, debt could hurt their profits. Infosys Technologies, India's No. 2 software exporter, sees the debt crisis sweeping across Europe as its top concern. It is hurting the company's clients and could have wide-reaching impact on its growth this year. "The top concern is Europe," Chief Executive Kris Gopalakrishnan told Reuters. "Although we can't do much about it, we can actually increase our footprint and get more customers."

Still rising commodities costs such as food prices, have pushed inflation in the region higher. Com-

panies have worried about rising wages and production costs because of inflation. Some foreign and domestic companies have passed the costs to customers. India's high inflation prompted the central bank to raise interest rates by 25 basis points this week, the seventh time since March.

Avadh Prant Sammelan Held



Lucknow, 16th Jan 2011, The first Annual Sammelan of Swadeshi Jagaran Manch was held in Lucknow, Model Saraswati Shishu Mandir from 15-16. All India Convenor, Sh. Arun Ojha, Bharitiaya Kisan

Sangh Patron, Thakur Sankata Prashad ji, BMS all India Secretary Sh. Sarveshwar ji, Zonal Kshetra Pracharak, Sh. Shiv Narain ji, Kshetra Karyavah Sh. Ram Kumar Verma, All India Org. secretary Kashmirilal and other prominent persons addressed the karyakartas hailing from 8 district out of total 13 districts. A public meeting was held and was addressed by Mayor of the city, prominent journalist and Ex MP Rajnath Singh Surya, Prant convenor, Janardan Singh ji, Prant Vichar Mandal Pramukh Dr. Bhola Nath Mishra delivered their speech. At the end of the meeting, Karyakartas held a Swadeshi Sandesh Yatra in the prominent bazaars of the city reverberating them with swadeshi slogans like 'Jab Bazaar jayenge, mal swadeshi layenge, and 'Dhoodh Dahin ke desh mein Pepsi Cola nahin chalega' etc.

88 Years old Thakur Sankata Prashad ji advised that while Swadeshi is very necessary for the upliftment of the country as a whole, but we should start with our own self and in our own family. Similarly he advised against the use of polythene glasses and other non-biodegradable things. Sh. Ojha ji described the evolutionary process of SJM and stressed the need of distributing swadeshi/Videshi products list. Sh. Sarveshwar Prashad Singh, All India Secretary BM-Semphasised that when all India campaign against MNC's products was started, the sale of Colgate went down to the level of 7.5%, so our small efforts can result in big victories. Sh. Shiv Narain Singh Zonal RSS Pracharak said that as God is formless, but some idol is made to represent Him, similarly though Swadeshi is not an organization but a manch, but a strong organizational set is required to bring about the mammoth change envisaged in the country. □□

Global consumers downbeat on job, inflation worries: Nielsen

Consumers in most countries globally look set to keep a tight grip on spending in coming months as they worry about job security and rising inflation, a survey by the Nielsen Company showed. US consumer confidence in the fourth quarter held steady from the third quarter but 45% of Americans see a weak economic environment this year, compared with 38 percent of Europeans and 19% of consumers in the Asia Pacific.

"The US jobless rate remains at the heart of

the issue for Americans," said James Russo, vice president of The Nielsen Company. "It has topped 9% for 20 months straight, which is the longest streak on record." Consumer confidence was positive at the end of last year in only 14 out of 52 countries surveyed worldwide. The Nielsen Global Consumer Confidence Index's average score, however, was unchanged from the third quarter at 90, helped by sharp jumps in confidence in Norway, Turkey and Switzerland as well as the Philippines. □

BBC to axe 650 jobs

The BBC World is to axe up to 650 jobs, after it announced the closure of its five international services - a move intended to save the corporation more than 46 million pounds a year. The five services to be axed are Albanian, Macedonian, Portuguese for Africa, and Serbian, as well as the English for the Caribbean regional service, a statement from the BBC World said.

BBC Global News director Peter Horrocks said that the closures weren't a reflection on the performance of individual services, but were needed because of the scale of the cuts to its grant from the UK Foreign and Commonwealth Office. Horrocks is expected to announce that about 650 jobs will be lost over three years -- one quarter of World Service staff of 2,000, the BBC reported. The announcement came just days after the corporation announced 360 online job losses.

However, to protest the move, the National Union of Journalists has written to the chairman of House of Commons' Foreign Affairs Committee Richard Ottaway and the chairman of Culture, Media and Sport Committee John Whittingdale, calling on them to review the BBC's plans for "drastic cuts".

The BBC World Service, which started broadcasting in 1932, currently costs 272 million pounds a year, and has an audience of 241 million worldwide across radio, television and online.

Japanese cos eyeing Indian IT

Japanese IT companies are aggressively looking at technology companies in India to acquire. Three Japanese IT majors, Fujitsu, NTT Data and Hitachi Consulting, were amongst the early bidders to acquire Patni Computers, though all of them eventually backed

off. But they have been successful in some others. NTT Data acquired US-based IT services firms Keane International and the US-based Intelligroup in 2010, and Hitachi Consulting acquired another US IT company called Sierra Atlantic in Jan. 2011. Over three-fourths of employees in these companies are based in India.

"In the next 18 months we could expect a lot more action from Japanese companies," said Partha Iyengar, V-P at research firm Gartner. According to IT industry body Nasscom, the Japanese IT services market, pegged at \$108 billion, is the world's second largest after the US. A shortage of skilled manpower and increasing cost pressures are driving the Japanese IT majors to explore cheaper offshore buys in India. The demand for IT services in Japan is driven by the banking, financial services and insurance (BFSI) and manufacturing industries, which together account for over 40% of the IT services market. Local companies like Fujitsu, Toshiba, NEC and NTT Data and US-headquartered IBM are the top players in Japan.

According to Raja Lahiri, director - transaction services at KPMG India, Japanese companies are looking at acquiring mid to large sized IT services companies in India. "It makes sense to have a presence in India to service global clients, as also the large Japanese market. With an ageing population they lack the manpower skills that India can offer," he said.

Inflation dulls India star, unnerves foreign investors

Soaring inflation and rate rises are starting to hit corporate margins in India, tempting more foreign fund managers to slash holdings in favour of markets that can better capitalise on the global economic recovery. With oil and food prices not seen easing in

the near future, money managers reckon the exodus has some more months to run.

This January alone, foreign funds have pulled \$900 million from Indian equities, Thomson Reuters data shows. This contrasts with the record \$29.3 billion they pumped in last year. So a market that last year returned over 20 percent in dollar terms is down 8 percent this year -- the worst performer of the four BRICs -- Brazil, Russia, India and China - and one of the biggest emerging markets losers so far in 2011.

"The view is India faces a difficult year," says Michael Penn, chief global equity strategist at BoA/ML. "It is the only underweight of the BRICs ... and the size of that underweight is increasing, showing people are becoming more pessimistic."

Underweight positions on Indian stocks have reached 35 percent on a net basis, the most since last April, BoA/Merrill Lynch's investor survey showed in January. Compare that to November when 8 percent of foreigners were overweight India.

FDI in retail will have to wait

Opening of Indian multi-brand retail business to foreign investment will have to wait, commerce minister Anand Sharma advised global retail giants asking them to instead focus on developing back-end operations. Chief executives of Wal-Mart, the world's largest retailer, and Tesco, the fourth largest, met Sharma in Davos to press the government for foreign investment in retail business. "I am not in the business of discussing domestic policy on foreign soil," Sharma said.

At present, the government allows 51% foreign direct investment in a single-brand retail venture while 100% is permitted in wholesale cash-and-carry. Under single-brand retailing a store can stock goods that have the same brand. In the wholesale cash-and-carry route, which most foreign retailers use, there is restriction on sale to individuals. These stores are only permitted to sell to outfits such as restaurants and kirana stores.

Though the government is contemplating opening the multi-brand business to foreign investment, fear of a politically troublesome backlash from domestic kirana stores, a constituency that can support BJP, has prevented it from going ahead. The department of industrial policy and promotion floated a consultation paper on allowing FDI in multi-brand retail but comments have been referred to a committee of officials.

24 countries vow to wrap Doha talks by '11

Trade ministers from 24 WTO member countries, including India, agreed to step up efforts to conclude the Doha round of liberalisation talks by the end of the year. The decision was arrived at amid a mood of continued mistrust between developed and developing countries. At the informal meeting, both sides seemed to stick to their stand, though they did recognise that they have only 11 months to conclude the latest round of trade liberalisation talks, which started in the Qatari capital in late 2001.

With US Presidential elections due next year, there is little chance of the trade deal, being cleared by the Congress. "There is a window available to conclude the deal this year... The draft on agriculture, services and non-agricultural market access (which is reduction in duties on industrial goods) will be revised shortly," commerce and industry minister Anand Sharma said after the meeting, convened by the Swiss trade minister.

According to the revised timeline drawn up by the ministers, the chairs of the negotiating groups on subjects such as agriculture, services and industrial tariffs, among others, would submit their drafts texts around mid-April. These may be revised around a month later following discussion between the 153 member countries. And, if things go as per plan, trade ministers would then meet around July so that the legal text can be ready by the end of 2011. Subsequently, it has to be sent for ratification by governments of member countries in 2012.

Pak rejects US demand to release diplomat

Pakistani authorities have rejected the demand of the US to release an American diplomat who shot dead two youths in Lahore, saying the matter would be handled in court according to the country's laws. Foreign office spokesman Abdul Basit told a TV news channel that the matter was already in court and the Punjab police were investigating the shooting incident in Lahore. "It would not be appropriate to publicly talk on this issue," he said.

US ambassador Cameron Munter raised the issue with former premier Nawaz Sharif, whose PML-N party rules Punjab. Munter expressed regret over the death of Pakistani nationals in the incident and contended that the American should be handed over to US custody since he enjoyed diplomatic immunity. □□

Geographical indications talks

For the first time in over 13 years of talks, WTO intellectual property negotiators have started work on producing a single draft text for setting up a multilateral geographical indications register for wines and spirits. A draft on notification – the first of six broad topics of the system to be discussed – was circulated by chairperson Darlington Mwape at an informal meeting of the full membership on 13 January 2011.

The draft was developed in two days of consultations among representatives of the three groups that have submitted proposals in these negotiations. The 13 January meeting was an opportunity for the full membership to look at it. The draft is about a page and a half long with numerous square brackets around text to indicate that the wording has not been agreed and that several options are presented to reflect the different approaches of the three proposals.

The draft on notification deals with definitions, descriptions and the legal basis of the terms that members would notify and other possible information. The options in square brackets reflect the different proposals of “W/52 sponsors” (the EU, Switzerland and their allies), the “joint proposal group” (US, Australia, Canada, New Zealand, Japan, Chile, Argentina and others), and Hong Kong, China (whose proposal attempts to bridge the differences) — see “current proposals” below.

US envoy on WTO talks progress

China has been disappointing and India has been taking “one step forward, one step back” in Doha negotiations for a global free trade pact, the US envoy to the World Trade Organisation said. Michael Punke, who is also the US deputy trade representative, warned that plans to conclude the long-stalled talks this year would be torpedoed if member states failed to step up and engage immediately in substantive negotiations. “We were somewhat disappointed with what we heard from China when we met with them in December,” Punke told reporters in Geneva.

The ambassador also had harsh words for Brazil, saying recent moves to raise tariffs hurt progress on negotiations. “Brazil has taken several steps over the last couple of weeks to raise tariffs. That to me is really a stick in the eye of Brazil’s trading partners. The Doha Round of negotiations, which began in 2001, have foundered amid disagreements between devel-

oped and developing countries over the level of market access for industrial products as well as agriculture subsidies.

China in the decade after WTO accession

China has been prospering along with the world and thus achieved a “win-win” situation since it joined the World Trade Organization (WTO) 10 years ago, Chinese Commerce Minister Chen Deming said.

The decade after WTO accession proved to be one of the best periods for China’s development, Chen said during a discussion with WTO head Pascal Lamy, in front of global business, financial and political leaders at the World Economic Forum (WEF) Annual Meeting in the Swiss resort of Davos. Chen described China’s entry into the WTO as a “courageous and tough choice,” but was “the right choice.”

Lamy said China joined under terms much tougher than for any other developing country - a “bitter pill” which, however, turned out to be “an insurance policy against protectionism.” China became the world’s second largest importer in 2010, with a total import value of over 1.4 trillion U.S. dollars, accounting for 10 percent of the world’s total.

According to Chen, in the past decade, China’s average duty rate has dropped from 15.3 percent to 9.8 percent at present.

Wal-Mart apologizes

Wal-Mart (China) apologized to customers after being blacklisted by Chinese authorities for cheating on prices. The Wal-Mart (China) Investment Co., Ltd. expressed “sincere apology” to affected customers in a written interview with Xinhua. The company entered China in 1996 and has opened 189 stores in 101 cities across the country. The National Development and Reform Commission (NDRC), China’s top economic planner and price regulator, said that some Carrefour and Wal-Mart stores in China are involved in deceptive pricing practices.

The NDRC ordered local pricing authorities to urge involved stores to correct wrongdoing, and pay fines five times the illegal income. Their ill-gotten money will be confiscated and those that cannot calculate their illegal income will pay a fine of up to 500,000 yuan. (75,987 U.S. dollars). An investigation into the price cheating had been launched in Guangzhou, capital of south China’s Guangdong Province, as it continues in Shanghai. □□