

The Liberal Magazine

Jamsetji Nusserwanji Tata

Freedon.

THE MAN WHO 'MADE IN INDIA'

150 years before it became our mantra

800th Anniversary of the Signing of the Magna Carta

R. Srinivasan

In a sense we are all spiritual heirs of the Document that was wrested from an unwilling monarch. The Magna Carta remains a precious heritage and almost all countries have embodied similar clauses in their Constitutions.

by since then and generations, who have not even heard of King John and the Great Charter, remain debtors to the great document and the philosophy contained in this. One cannot conceive of any political system even non-democratic that it does not embody this in its Constitution – the principle of legislative supremacy though it is often formal than substantial. It has reverberated through the centuries.

To go back to the genesis of the document, King John monarch of England (1199 -1216) antagonised all sections of the population. A council of 25 barons tried to enforce a charter of demands on the king. On John refusing to sign the document, a civil war broke out. Both the Church and the Barons combined in support of the demands. It became Bible of the the protestors and generally regarded as beneficial to the future generations of the

kingdom. "Today we study its history. Yesterday it was their political Bible. It became something of a myth few, yet would question that the myth has been beneficent and still is." One of its important provisions was that "no free man should be imprisoned or deprived of his property except by the judgement of his peers or the law of the land."

Theoretically the legislature represents the people and on important issues they need to be deliberated upon, differences of opinion sorted out and an agreed policy arrived at in which all have the satisfaction of the feeling that they have contributed to the general consensus that has emerged. It is likely that some have their doubts but

they have the satisfaction of putting forward their point as well.

It should be clear that this arrangement would not have been arrived at by debates in all kingdoms everywhere; in some instance countless wars were waged and in others revolutions had been gone through. In essence it embodies the principle that the supreme executive exercises political power at the sanction of the legislature.

This principle is the germ of all democracies and history over centuries has confirmed this. Historical happenings such as civil wars and political revolutions further legitimise this.

When drafting this, the section that pressurised the monarch and wrenched from an unwilling king these rights were for themselves, the nobility and not for the common man. The hoi polloi did not figure in

common man. The hoi polloi did not figure in these conflicts. There was no organised group of the lower orders and they could make no demands effectively. However subsequent history has tended to see this demand made by the common people. This understanding, or more correctly, the misunderstanding, has been wholly beneficial; for it was regarded as an ancient charter embodying the rights of the common people in popular imagination and was to act as a catalyst for action. In history often



Romanticised 19th Century recreation of King John signing the Magna Carta. (Photo Courtesy: The Web)

PROFESSOR R. SRINIVASAN is retired professor of politics, University of Mumbai and Associate Editor of *Freedom First*. He can be contacted at freedomfirst1952@gmail.com

misunderstanding has its benefits too!

Between Ourselves...

Dedicating our February issue to the great Liberal, Gopal Krishna Gokhale on his 150th death anniversary and featuring him on our cover elicited much appreciation from our readers.

In this issue, we feature on our cover another great Indian, Jamsetji Nusserwanji Tata and congratulate the Government of India in honouring him by releasing coins of Rs.100 and Rs.5 commemorating his 175th birth anniversary.

We were very critical of the manner in which Arvind Kejriwal accepted Indira Congress support after the last elections a year ago to the Delhi Assembly and rushed to form a government even though his AAP party did not have a majority. He was quick to realise his mistake and gave up office in less than 50 days. We congratulate him on regrouping and leading his Party to a fantastic victory decimating, in the process, the Indira Congress and pulverising the BJP.

As is our wont, we shall refrain from being judgemental on his government's performance for the next six months. This of course will not prevent our contributors from commenting on issues relating to policies of his government from a liberal perspective.

Editor

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 $Phone: \ +91 \ (22) \ 22843416 \ \bullet \ Email: \ freedom@vsnl.com \ / \ freedomfirst1952@gmail.com$

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From Our Readers

Freedom First and Always

Just when I was about to conclude that there is, of late, a considerable ambiguity of liberal principles and dilution of liberal philosophy in the contents of *Freedom First*, your February 2015 issue makes a very bold liberal statement in its back cover. I sincerely hope that the message goes across to the fundamentalists within our nation as much as to those elsewhere.

R. C. Saxena, Vadodara. liberals1986@gmail.com

Editor's response: The basics of what Freedom First stands for cannot change. There are times when we recognise opportunities for taking forward some policies we stand for. We support such policies irrespective where they emanate from. Modi obtained his mandate through the ballot box on the slogan of good governance and minimum government - something we stand for. We also reject dynastic politics and I believe that Modi has more or less given a fatal blow to dynastic politics, this too through the ballot box. So we support his policy. Our secularism is based on a rejection of the intrusion of religion in politics and in this we will never waver. As Minoo Masan reaffirmed in an article many years ago it will always be: "Freedom first and always".

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What We Are Worried About

The oft repeated phrase "All is fair in love and war" deserves to have a worthy addition: "Elections". We can now say: All is fair in love, war and elections! How else can we justify the "goings on" such as,

- 1. Political mudslinging and character assassination.
- 2. High decibel spicy T.V. debates, which are devoid of moderation and civility.
- 3. Engineered and encouraged defections.
- 4. Rampant misuse of money (both Black and White) by all politicians without exception. Who is bothered about the colour of money!
- Opportunistic announcements of price reduction of petrol products coupled with promise of a bright future.

Right now the average Indian is concerned with the unabated price rise of essential commodities coupled with high cost of essential travel and the widening chasm of social disharmony. The sooner these issues are addressed the better will it be for all of us.

Dharmendra Nagda, Mumbai

Muffler Man Muffles Modi's Roar

That Arvind Kejriwal's Aam Aadmi Party has come trumps is a good sign for democracy. A strong and vibrant opposition is a pillar of strength to fight an authoritarian approach in governance. Delhi assembly elections prove the fact that no juggernaut is unstoppable. Public opinion and independent thinking are worthy traits of a mature people. It is rightly said, *Yeh public hai, subkuchh janti hai! Jai Hind!*

Dharmendra Nagda and Mahendra Oza, Mumbai dharmendranagda@yahoo.in

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The AAP Victory

Congratulations are in order for the Aam Aadmi Party's resounding success in the recent Delhi elections. Comparing this to the May 2014 Lok Sabha elections, two points emerge:

First, the present generation of voters believe that the leader matters and not the party they represent.

Secondly, the two verdicts have very clearly established that dynastic politics, like the dinosaur, is an extinct species. To that extent the Indian National Congress will have to find a set of new leaders outside the Nehru-(Feroze) Gandhi dynasty.

The 1977 elections with the Janata Party at the helm did not last its term only because they were a ragtag breakaway faction of the Congress, the Jan Sangh, the Praja Socialist Party *et al* and their common minimum programme was revenge against the perpetrators of the 'Emergency'.

The world has moved on and so has India. We have also moved towards a 'Congress Mukt Bharat' and these are great days for 'We the People'.

N. R. Bala, Mumbai. nrbala@hotmail.com

The Spectacular Victory of AAP

The highly discerning public of Delhi who voted for the BJP as a viable alternative soon found that not a single measure was taken by the Modi government to ameliorate their miserable daily lives despite the NDA's high decibel election promises. In India an average voter demands only a few basic things: travel to one's workplace without molestation, some amount of certainty about their

electric power and water supply, basic education facilities, reasonably clean public toilet facilities and above all a certain amount of security provided by the police who they expect would be less authoritarian.

Instead what they experienced was more bureaucracy, less transparency, more religious strife which endangered daily law and order, high drama of glittering inaugurations, orchestrated cleanliness drives which meant nothing more than photo opportunities and frequent visits by foreign VIPs which inconvenienced their daily lives. Delhi was "locked down" for President Obama's visit for several days including for the rehearsal of Republic Day parade. For foreign VIPs this was a pleasure trip while for the common man it was further difficulties in their daily trudging to the places of work, school or markets.

The spectacular victory of Arvind Kejriwal and his Aam Admi Party is thus an expression of this common man's frustration and a signal to the NDA government that they would not be satisfied with drama, slogans and promises. It is not yet certain whether this middle class movement will be sustained for the next 5 years or whether they will lose steam like the youthful European "Greens" who had burst dramatically into the European politics in the 1980s as a "Third Force" but had lost steam by 2013 in Germany and France.

Vappala Balachandran, Mumbai, vappala.balachandran@gmail.com

Excerpted from his article Significance of the Spectacular "Aam Aadmi" Victory in the online daily The Citizen, February 10, 2015.

In defence of Jawaharlal Nehru's Foreign Policy

Why Jawaharlal Nehru kept a distance from the USA, can be understood from the USA's actions *vis-a-vis* Latin America over the years, for instance.

1846: Took over nearly half of Mexico

1898: Colonized Puerto Rico in 1898. Took over Cuba and put up a Naval Base. Invaded and occupied Cuba twice. Invaded Nicaragua and occupied it for two decades. Invaded Haiti and occupied it for 20 years

1916: Invaded the Dominican Republic

1954: Overthrew Guatemala's elected government

1961: Organised the Bay of Pigs invasion of Cuba

1964: Supported the overthrow of the Brazilian Government up to 1985

1973: Helped overthrow of Chile's elected government

1976: Backed the military dictatorship in Argentina that killed 30,000 people

1979: Paid a failed rebel army attempt to overthrow the Nicaraguan government

1994: Invaded Haiti in 1915 and again in 1994. Fomented rebellion in Panama to build a Canal. Engineered

Panamian nationalists to break away from Colombia. 1980: Backed Salvadorian military violence

B. P. Rastogi, Mumbai.

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Srisailam and Nagarjuna Sagar Reservoirs

The suggestion of the Government of Andhra Pradesh that the Central Government should take over the management and control of the Srisailam and Nagarjuna Sagar reservoirs and the use of these waters and their distribution between the two states is most appropriate. Inter-state river water disputes are galore and remain unresolved for decades. We are going to face much more dissension among the riparian states over claims for increasing share of waters.

There is the grand concept and scheme to link up all the rivers. If this project is implemented it can provide work for tens of millions of our unemployed. The melting waters of the mighty Himalayas will provide water for the entire Indian territory.

Just as we have national highways, state highways and Zilla Parishad roadways, we can have national reservoirs, national canals, state canals and district canals. The Union Government should build the national reservoirs and national canal systems and distribute waters to different states, delivering them to the state reservoirs. It will be for the states to distribute their share within their territories.

This can be the only right solution. This is just like our National Power Grid (NPG) into which various private and public power generating companies load their power generated by them, and the NPG delivers it to different states; it is also like the national telecom network work and the national rail system.

One Airport – Two Names

Digvijay Singh is a very loquacious spokesperson of the Congress. While in Hyderabad recently he ridiculed the idea of naming one airport after two persons – Rajiv Gandhi and NTR. He should be pardoned for his ignorance. For the domestic terminal of Chennai airport is named after Kamraj Nadar and the international one is named after Annadurai. In his eagerness to proclaim his loyalty to the Dynasty, Digvijay Singh unfortunately betrayed his ignorance of well-known facts.

Dr. T. H. Chowdary, Chairman, Pragna Bharati, Hyderabad. HanumanChowdary@tcs.com

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Jamsetji Tata Commemorative Coins

- A Gesture of the Country's Gratitude

Dattatraya R. Pendse

"A score of Tatas might do more for India than any Government, British or indigenous, might accomplish."

- Alfred Marshall

In a brilliant and smart move, Prime Minister Narendra Modi has released commemorative coins (CC) for INR 100 and INR 5, to coincide with the 175th birth anniversary of Jamsetji Tata, the founder of India's Tata Group of Industries. There is more in this seemingly minor event than meets the eye and much more than the dull title of this note. Herewith some armchair reflections:

Alfred Marshall, who died in 1924, was arguably the world's most influential economist of the early twentieth century. [A Cambridge don, naturally!] It is known that he had a picture of a poor man hung in his study room. Marshall wrote:

"A score of Tatas might do more for India than any Government, British or indigenous, might accomplish."

A Commemorative Coin is not a reward in any sense. It is a gesture of the country's gratitude.

This is the first time that a CC is being released to honour the memory of a businessman. Jamsetji died in 1904. So this gesture comes 111 years after his death; 67 years after independence and after such gestures of gratitude to about 25 others.

The delay was not out of oversight at all. After independence, we as a nation, for decades and decades were sunk in our costly misadventure of what went under the garb of socialistic pattern of society. The growth of private sector industry, much more so of the [wrongly] so called 'large industrial houses,' was at best to be tolerated, but had to be kept under all-pervading controls. Gratitude and gestures? Ha Ha! So much so that, JRD Tata, Jamsetji's best-known successor, publicly declared in frustration, "After fifty years of service to the country, I am told that I am not wanted."

From there to the release of CC for Jamsetji, we have done a complete about turn. Marshall was right. What the Government's economic policy 'accomplished' is for all to see. But at least now, it stands to the credit of

Government that its mind is concentrated wonderfully to set things right.

Correctly speaking, this is the second time that the Government is publicly repenting its misadventure on economic policies. The first was of course the Reforms Budget of 1991, presented by the then Finance Minister Dr. Manmohan Singh. The gesture that time was even more conspicuous; viz. to confer the Bharat Ratna on JRD [the same JRD who was earlier made to feel that he was not wanted!]. The repenting then was also acutely embarrassing. For, the Government that repented was of the same political party that ruled during the decades of misadventure.

Strictly, a second gesture should not have been necessary. But the process of economic reforms, which was born healthy in 1991, had become an *enfant terrible*. The erstwhile opposition party, which walked to total electoral victory recently, presumably has more abiding faith in the reforms process than did Dr. Manmohan Singh; and felt, rightly, that another red carpet gesture could do no harm. But why should such gestures and red carpets have only Tata images? Bharat Ratna? JRD CC? Jamsetji? Even Marshall, within a few years of getting just a glimpse of Jamsetji's vision and values, had confidence specifically in 'a score of Tatas,' not in, say 'a score of large business houses.' How come?

The answer should underline, I think, why the Government's decision is also smart. The message is loud and clear: To deserve gestures of gratitude from the nation, it was not enough for India's businessmen to be merely giants or billionaires. They had to be different; had to be taller; beyond the giant. Implicit in the Government's decision to choose a Tata again is an admission of the difficulties of finding a worthy alternative; implicit also is the Government's determination not to accept even a minor relaxation of the criteria for this gesture of gratitude. Both are eminently laudable. Both need to be preserved in future. True; Tatas have had this monopoly far too long. Alas!

Alas? Yes, Alas. Spread for India's entrepreneur a red carpet to beckon him to an attractive international *a la carte* menu of fiscal and other economic policies, instead of the catchy nets leading to a stale and depressing buffet in the chilly tents of the past half a century when he was being constantly pilloried. Having survived all that, he has acquired a thick skin. But he has in place his strong heart, a sweet tooth, a sharp nose, and a very healthy appetite, not to mention his deep pockets, so inviting for

any stressed Finance Minister. It will then not be long before the remaining nineteen tables of Alfred Marshall's vision are occupied and reserved for future. Jamsetji's and JRD's, both will smile; satisfied that they have ceased to be different.

D. R. PENDSE, well known economist based in Mumbai. Former Economic Adviser to the Tata group of companies. Email: dadapendse@gmail.com • www.drpendse.com

Honouring Jamsetji Tata on his 175th Birth Anniversary

Prime Minister Narendra Modi released a commemorative coin in honour of Jamsetji Tata, popularly known as the father of modern Indian industry, on his 175th birth anniversary. Paying tributes to Jamsetji Nusserwanji Tata, Modi said "those who create history, without seeking or holding power, are truly great".

He also praised Jamsetji for his vision of environment friendly energy and initiatives for welfare of the people associated with the Tata Group.

The culture of businessmen donating massive amounts in charity was new to the Western world, but Jamsetji Tata had done the same long ago, the Prime Minister added.

Jamsetji is the first industrialist felicitated by the

Indian government in such a manner.

He was born on March 3, 1839 in Navsari, a small town in south Gujarat.He founded the Tata Group, India's largest business conglomerate in 1868.

He worked for building an India that would be an industrial power. The translation of his vision led to the creation of India's first integrated steel plant (Tata Steel's Jamshedpur plant - 1907), hydroelectric power plants that service Mumbai's needs till today (Tata Power's Khopoli plant - 1910), and the Indian Institute of Science, Bangalore (1909).

The government had earlier honoured Jamsetji by releasing postal stamps – one in 1958 and another in 1965.

175th Birth Anniversary -Jamsetji Nussserwanji Tata

Toologia (1988)

Tool

The Prime Minister in his speech also referred to the meeting between Swami Vivekananda and Jamsetji Tata, on board a ship from Japan to Canada in 1893. He said the two great men - one an ascetic and the other an industrialist - shared the same wavelength and had a common vision for a self-reliant India.

From a press report. For more on Jamsetji Nusservanji Tata and his tremendous achievements, a must read is R. N. Lala's "For the Love of India – The Life and Times of Jamsetji Tata" - Penguin Books India.

Thank God for The TATA's

- A Tribute

Lakshmi Mittal

I visited Jamshedpur over the weekend to see for myself an India that is fast disappearing....

It is one thing to talk and quite another to do and I am delighted to tell you that Ratan Tata has kept alive the legacy of perhaps India's finest industrialist, J.N. Tata...

I was amazed to see the extent of corporate philanthropy and this is no exaggeration. For the breed that talks about corporate social responsibility and talks about the role of corporate India, a visit to Jamshedpur is a must. Go there and see the amount of money they pump into keeping the town going; see the smiling faces of workers in a region known for industrial unrest; see the standard of living in a city that is almost isolated from the mess in the rest of the country.

This is not meant to be a puff piece. I have nothing to do with Tata Steel, but I strongly believe the message of hope and the message of goodness that they are spreading is worth sharing. The fact that you do have companies in India which look at workers as human beings...

In fact, I asked Mr. Muthuraman, the managing director, as to why he was so quiet about all they had done and all he could offer in return was a smile wrapped in humility, which said it all...

You could have been in the mountains. Such was the quality of air I inhaled! There was no belching smoke, no tired faces and so many more women workers, even on the shop floor....

Jamsetji Nusserwanji Tata had created an edifice that is today a robust company and it is not about profits and about valuation. It is not about who becomes a millionaire and who doesn't. It is about getting the job done with dignity and respect keeping the age-old values intact and this is what I learnt.

Very few people know that Jamshedpur has been selected as a UN Global Compact City, edging out the other nominee from India, Bangalore. Selected because

of the quality of life, because of the conditions of sanitation and roads and welfare. If this is not a tribute to industrial India, then what is? Today, India needs several Jamshedpur's but it also needs this Jamshedpur to be given its fair due, its recognition...

Modern India is being built in Jamshedpur as we speak. An India built on the strength of core convictions and nothing was more apparent about that than the experiment with truth and reality that Tata Steel is conducting at Pipla.

Forty-eight tribal girls (yes, tribal girls who these corrupt and evil politicians only talk about but do nothing for) are being educated through a residential program over nine months. I went to visit them and I spoke to them in a language that they have just learnt: Bengali. Eight weeks ago, they could only speak in Sainthali, their local dialect. But today, they are brimming with a confidence that will bring tears to your eyes. It did to mine.

This was possible because I guess people like Ratan Tata and Muthuraman haven't sold their souls to some business management drivel, which tells us that we must only do business and nothing else. The fact that not one Tata executive has been touched by the Naxalites in that area talks about the social respect that the Tata's have earned.

The Tata's do not need this piece to be praised and lauded.

My intent is to share the larger picture that we so often miss in the haze of the slime and sleaze that politics imparts. My submissions to those who use phrases such as "feel-good" and "India Shining" must first visit Jamshedpur to understand what it all means.

...Jamshedpur is an eye-opener and a role model, which should be made mandatory for replication. I saw corporate India actually participate in basic nation-building, for when these tribal girls go back to their

Cont'd. on page 16

Thoughts on Recent Political Developments

B. Satyanarayana

It holds a lesson for Modi that in order to regain the trust of the voters it is not enough to chant the mantra of development but at the same time the core values of simplicity, honesty and integrity must be the anchor for governance.

The Broom Sweeps Aside the Lotus

The emphatic victory of the Aam Aadmi Party (AAP) in Delhi where it won 67 seats out of 70 in assembly elections humbling the mighty Bharatiya Janata Party (BJP) which got only 3 seats while the Congress drew blank is indicative of the triumph of democracy. This will send an unmistakable message that the voter now feels truly empowered to bring about change if he only exercises his vote keeping his own counsel. It is also a warning to the elder politicians that their days are coming to an end and that the young and the educated are ready to take over the reins of political power.

At another level, it presages that the percentage of voters exercising their right will from now on only increase in future elections. It is a good sign for strengthening our democracy. It is also the end of dynasty politics and of money power. At the same time, it is a powerful indication that any ordinary person viz. aam aadmi can compete and win election if only he is armed with the values of simplicity, honesty, and integrity. At one stroke what Arvind Kejriwal has done is to create history of cleansing our electoral system. It must be a chastening experience for the BJP and for Prime Minster Narendra Modi in particular to indulge in self-introspection as to what went so wrong that the party received such a summary electoral drubbing as to be nearly decimated. It holds a lesson for Modi that in order regain the trust of the voters it is not enough to chant the mantra of development but at the same time the core values of simplicity, honesty and integrity must be the anchor for governance.

A perceptive analysis seems to point out to the fact that apart from various issues on which the BJP made serious mistakes or errors of judgment; one was neglecting the development of Delhi in their other preoccupation including Modi visiting other countries. The other factor that played a significant role appears to be that the media played a subtle game to conspire out of pique against Modi because he had kept them at an arm's length unlike the UPA government which sedulously cultivated them. Despite the heavy electoral drubbing suffered by the BJP and personal dent to Modi's personality he took the earliest opportunity to congratulate Kejriwal and invited him for

tea. Modi has always been punctilious in his attitude of keeping the grace at all times. The immediate test for BJP is its move in the troubled waters of Bihar's political uncertainty. Modi can take heart that according to a report in *Headlines Today* the post-poll survey indicates that two thirds of the people still repose faith in Modi.

7th Vibrant Gujarat Summit

I was in Gujarat during January 2015 when Bharatiya Pravasi Divas was being celebrated during 11-13 January in Gandhinagar. The address by the Prime Minister Narendra Modi to a huge gathering of 4,000 people comprising guests and high dignitaries from several countries including 2,500 Indian Diaspora was a grand affair. It drew handsome praise and high encomium from persons like the Secretary General of UN, the US Secretary of State and others who were overwhelmed by the stellar role played by Prime Minister Modi to project India's capacity to create an environment for mutually beneficial commercial enterprises.

Obama Came, Saw and was Captivated

The above best describes the visit of the President of USA, Barack Obama. Inviting Obama as a special guest for the 65th Republic Day Celebrations was Modi's masterly strategy. It was the first time that a President of the US was coming as a special guest. Several unusual features marked his 52 hours spent in India. The first one was when Modi broke protocol in receiving Barack Obama and his wife Michelle at the airport in a return gesture of his visit to the USA in Sept 2014. The high point that invested this year's Guard of Honour was led by the Wing Commander Pooja Thakur leading with great panache a battalion of men from the Army, Air Force and Navy.

From the time Obama landed, the bonhomie between both the leaders was palpable extending to addressing each other by their first name. There was the usual visit to Rajghat to pay homage to the memory of the father of the nation Mahatma Gandhi. It must have been a unique and unforgettable experience for him and his wife to sit through more than two hours witnessing with rapt attention the Republic Day Parade displaying India's military powers in addition to other cultural exhibits.

Meet the Press and Chai-Pe-Charcha

At the one to one meeting at Hyderabad House, they discussed and exchanged ideas touching on national and international politics besides freely talking about personal habits without inhibition like how many hours of sleep they get which Obama referred to later in his address. The most evocative scene was where Modi pouring tea for Obama who was leaning forward to receive the tea cup, made a pretty picture. Its symbolism cannot be lost for Modi rose from a 'Chai seller' to become the PM of the largest democracy while the same situation applied to Obama. This demonstrates the power of democracy. Obama charmed Indians with his extempore delivery and captivated the audience in all the forums when his speech he spoke mixed with humour mentioned 'Chai Pe Charcha' or a few phrases in Hindi to endear himself. When both addressed the press, Obama warned Pakistan on terrorism and punishing those involved in 26/11 attack in Mumbai. It was the first time that such a statement was emanating from America which was refreshingly different from its earlier stand of equivocation so as not to hurt the sensitivities of Pakistan. This must have been music to the ears of the government because America has always been careful to safeguard its strategic interests where placating Pakistan figures high on its geo-political agenda.

Modi's Magic at Work

Narendra Modi's extempore oratorical skill was displayed when he spoke in chaste English, equally at home in that language like speaking in Hindi which is his *forte* came as a revelation. Again Modi's magic was at play when he stole a march when both Obama and Modi participated in '*Man-ki-baat*' monthly radio programme on 27th February. The visit resulted in many agreements being entered into between the two counties and the most important beneficial fallout has been to revive the civil nuclear deal by removing hurdles in the way for smooth implementation.

Obama Misses the Script

However, Obama took India by surprise when during his address at Siri Fort Auditorium he seemed to have lost the script. He made a gratuitous remark on religious tolerance, 'India will succeed so long as it is not splintered on religious lines', served as a weapon in the hands of the Congress to criticise Modi while it did not go down well with the establishment. Obama obviously appeared to be not well informed about the extreme complexity and dynamism of Indian reality and its 5,000 years of history. The fact that India was ravished by hordes of invaders who ultimately got assimilated into the mainstream of Indian life style is a testament to its moral strength of being inherently secular which was the running theme of its cultural ethos of an inclusive society. Unfortunately Obama

seem to have compounded his earlier indiscretion by further queering the pitch during his speech at the National Prayer Breakfast along with Tibetan leader, the Dalai Lama in Washington.

Obama said, 'acts of intolerance that would have shocked Gandhi' and went on to add, referring to India as a place where in the past years religious faith of all types have, on occasion, been targeted by other faiths, simply due to their heritage and beliefs. It is easily inferred that the provocation for such a statement was the 'Ghar Wapsi' campaign going on for reconversion from Christianity or Islam to Hindu fold which was in the news during his visit. Obviously, Obama was not fully aware of the historical background and the contest of such a move about which lot of myths and contradictions abound. Even otherwise Obama must not be unaware of the part played by Christians and their acts of proselytizing. When there was strong political reaction, the White House clarified that the remarks had been 'misconstrued'. Whether this is going to impact several trade agreements and mutual investment environment has to be watched.

Javanti Natarajan Becomes the Whistle Blower

After 30 years of long loyal service in the Congress Party, including serving as minister in the Ministry of Environment, and as an effective spokesperson defending her party's policies, if Jayanthi Natarajan quit the party, it must be heart-wrenching and the decision must have been prompted by weighty reasons. The bone of contention revolves round Natarajan withholding clearing of files on the instruction of the Vice President of the Congress Party, Rahul Gandhi. The tipping point, probably, was reached when she was asked to resign by the then Prime Minister Manmohan Singh in December 2013. She felt humiliated being neglected and sidelined. She said "an atmosphere of lies and suffocation" was the reason for her exit. Natarajan being the granddaughter of the late Bhaktavatsalam, the chief minister of erstwhile Madras State, she is grounded in the values of a conservative upper caste family. Therefore, it carries conviction when she asserts that she followed the dictates of her conscience. The Congress Party which was in the doldrums after the Lok Sabha elections and now drawing a blank in Delhi assembly elections will probably slide precipitously further.

H. R. BAPU SATYANARAYANA is a freelance writer based in Mysore. Email: what_option@yahoo.co.in

Point Counter Point

Ashok Karnik

Every issue has at least two sides. A wise person examines all sides before coming to a conclusion. This is an attempt to present various sides of an issue so that a considered opinion can be formed.

The Obama Visit

Point

1a). President Obama's visit was considered important as it came quickly on the heels of PM Narendra Modi's triumphant visit to the US. It turned out to be historic as it put Indo-US relations on a higher plateau. Modi's perennial critics treated it as just so much hype and no substance. They asked for immediate deliverables and blamed all the hoopla on Modi's PR skills. They pointed out that it was Dr. Manmohan Singh who had brokered the nuclear deal almost 6 years back by risking his Government and the BJP was wrong in stealing the thunder. They refused to accept that there was a substantial breakthrough on the nuclear deal, arms production, the vision document on the "Turn East" policy and India's seat on the Security Council. Theirs was just the predetermined stance that Modi cannot do anything right. They downplayed all agreements and promises as mere eyewash. It is true that Dr. Manmohan Singh had made the breakthrough on the nuclear deal and he deserves credit for it but it must be remembered that there was no progress as the deal was stuck on liability and tracking issues.

Counter Point

1b) It is true that "deliverables" are difficult to define. Between governments, bonhomie is important but it has to be transformed into agreements. The agreements have to be transformed into concrete action by government or private entities. Modi converted good vibes into several agreements; that is his achievement. Modi has to cross many bridges before nuclear plants can be set up on the ground. He will have to face his own 'Parivar' which still lives in the fear of the East India Company. The great promise of rapid defence and industrial cooperation will have to face the challenge of the Swadeshi Jagran Manch and simultaneously the left brigade, environmentalists and all manner of critics. The job is cut out for Modi. Will he make a breakthrough on these fronts or will he find that Obama was easier to deal with than his indigenous opponents? However, that should not be reason not to applaud him for what he has achieved now. The problem is that people can live on euphoria only for a limited amount of time; they then hanker for visible benefits. Only a magician can conjure the goodies out of thin air; the rest have to sweat it out to see the results.

The Delhi Jolt

2a) The Delhi election results have hit the BJP hard as it has halted its upward swing of winning one state after another. The Jammu & Kashmir election was not a setback as progressing from near zero to near power sharing could not be considered a defeat. Delhi was another matter as it wiped out the Congress and nearly extinguished the BJP. It did retain its share of the votes but after its clean sweep in the Lok Sabha election in Delhi, it was humiliating to emerge with a single digit score. For the AAP, after its disastrous Lok Sabha poll performance, this was almost the second coming! What made the people support a party they had rejected so decisively 9 months back? It is clear that people still hope for miracles and anybody promising a bigger pie in the sky is the choice of the people. BJP promised a lot during the Lok Sabha poll and although it cannot be dubbed as a failure, people are impatient for free goodies and instant amelioration of their grievances. AAP promised exactly that and the people jumped at it.

2b) The simple truth is that the people trust Arvind Kejriwal's word more than BJP's. BJP is searching for reasons for its defeat and coming up with various excuses like delay in finalizing candidates, selection of Kiran Bedi as the CM candidate, wrong election strategy, fulminations of some 'Parivar' leaders, etc., The real reason eludes the BJP: People expect quick fixes and, if after raising hopes, Modi has not delivered in 9 months, they would like to try out another messiah; he too may fail but that is for the future. Today's message is loud and clear: We want results here and now! The dilemma for PM Modi would be whether the rest of the country would also be equally impatient and what he needs to do to show ground progress. Instant gratification is impossible; it is a glaring weakness of democracy as people get swayed by one promise or another and repent at leisure. Will AAP deliver now?

Freedom Versus Licence

3a) The case of Priya Pillai, Greenpeace activist, is intriguing; she was stopped from travelling abroad (January 2015) because of the possibility that she would address foreign institutions to propagate against the Government's forest mining policy. The Government's preventive action deserves analysis as the action exposes various layers of convoluted logic. It would be good to know the issues involved. It is obviously a check on the freedom of speech of an Indian citizen. To what extent the check can be justified as being in the interest of national security, sovereignty or even Government policies? An Indian citizen has the right to criticize his Government's policies. The problem arises when such criticism is initiated by an agency that is backed by a foreign entity. To what extent such activity is considered acceptable or is to be tolerated? Do we allow a foreign agency to guide a movement against India's policies? There is only a thin line between agitating on your own and seeking support from like-minded foreign organizations for your cause. International cooperation for a common cause is the problem.

3b) The Government has already red-flagged financial aid being funnelled by Greenpeace after its role in the antinuclear plant agitation in Kudankulam (Tamil Nadu). In Priya's case, the issue got complicated; she did not receive direct financial aid but got indirect support for her journey. What type of foreign assistance for anti-government agitations is to be condoned? Air tickets, hotel bills, daily stipends? The High Court observed that prima facie the action against Priya was "inappropriate". The Government has argued that it was necessary to stop direct or indirect foreign interference in India's policy making. Unfortunately, at present, foreign intelligence agencies do find gullible NGOs in India who can be used to launch agitations, wittingly or unwittingly, against Government's policies. The NGOs are mostly genuinely convinced about their stance and are not conscious tools of foreign agencies; the latter tend to use them as tools which are impermissible. The remedy lies in the precaution that those who want to fight Government's policies should not take any kind of assistance from foreign agencies; that would protect their integrity and allow them to function as they want; the temptation to secure foreign assistance is their Achilles'

Readers are invited to email their points of view on serious issues of the day to ashokkarnik2001@yahoo.co.in. Readers who do not have the facility of a computer can also post (mail) their points of view on serious issues of the day to "Point Counter Point", c/o Freedom First, 3rd floor, Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai, 400001.

Greenpeace Vandalism in Peru

Greenpeace is an environmentalist organization that specializes in "direct actions" – i.e., publicity stunts. These are meant to attract donations so that the group can continue its important work of devising more publicity stunts. Most recently, about a dozen Greenpeace activists snuck into the sacred historic site of the Nazca Lines, a group of engravings dug into the Peruvian desert floor by pre-Columbian inhabitants. There they unveiled a huge message, meant to be seen by passengers flying to the Lima climate talks, to the effect that "the future is sustainable". By doing this, the Greenpeaceniks damaged or obliterated marks and drawings on the ground that archeologists have been studying for centuries. The group now faces civil and criminal charges. Greenpeace believes its cause is so vitally important as to justify literally trampling on part of the world's heritage; it might as well have spray-painted graffiti on the Parthenon.

National Review, December 31, 2014

The Delhi Assembly Elections of 2015

The Political Paralysis of the BJP and the Congress

B. N. Mehrish

While the younger age groups wanted to see Kejriwal as Chief Minister, the older age groups leaned towards Bedi

elhi showed no signs of voter fatigue, setting a new record of 67.14% on 7 February 2015. Local issues carried the day for the three main parties Aam Aadmi Party (AAP), BJP and the Congress. As predicted, AAP won with 67 seats in the 70-member Delhi Assembly. It was a spectacular win. The challenge now is to fulfil its promises. Amit Shah, the BJP president seemed to have misread completely the mood of Delhi's voters. The poor who felt disenfranchised in every way saw a ray of hope in AAP. The Congress has been totally wiped out. The BJP's chief ministerial candidate Kiran Bedi had upset senior BJP leaders.

It has been rightly observed by senior journalist Neeraja Chowdhary that the AAP victory "will embolden BJP's allies like the Shiv Sena and Akali Dal and also its opponents". Kejiriwal's apology for resigning his chief minister position in the previous assembly election softened Delhites. There was an emotional connect being made by Kejriwal with Delhi voters cutting across castes and communities.

The AAP victory is a manifestation of a growing political consciousness, particularly among the middle class. The Anna Hazara movement against corruption created the ground for impatience among the people.

The IMRB-*The Week Magazine* election survey (2015) was conducted among 4,055 respondents from 70 constituencies between January 22 and January 24, 2015, the survey showed that the BJP would not get a majority (36 seats in a house of 70). Preferred choice for chief minister according to the survey was as follows: Arvind Kejriwal 40%, Kiran Bedi 39%, Ajay Maken 3%, Harsh Vardhan 1%. While the younger age groups wanted to see Kejriwal as chief minister, the older age groups leaned towards Bedi.

AAP promised audit of discoms (Power Distribution Companies and reduction in power tariffs; CCTV all over the city for women's safety; education loans for all Delhi students; 20 new colleges, and wi-fi in the city.

The BJP promised 24x7 electricity supply, upgrading

existing infrastructure, continuous water supply, reviving the Renuka Dam Project, developing Delhi as a knowledge hub by opening skill development centres, develop Delhi as a tourism hub and bring hospitals and schools on par with international standards.

The total voter turnout was 67.14 per cent. In the constituency of the CM hopefuls, voter turnout was as follows: Arvind Kejriwal - 64.28 %, Kiran Bedi - 71.97 %, Ajay Maken - 71.71 %

Throughout the election campaign, Kejriwal suggested that to vote for the BJP "would be to vote for the failures of all politicians through the ages. To vote for AAP would be to vote for "change" (Hindustan Times, February 11, 2015). Kejriwal got the support of slumdwellers auto drivers, industrial labour, migrants, Dalits, Muslims and people at the very bottom of the social pyramid. Throughout the campaign, Kejriwal emphasised the "David vs. Goliath" nature of the battle. Kejriwal has reason to rejoice and will have to work hard to fulfil promises he has made during the campaign. Kejriwal has changed the national mood. How Narendra Modi will handle Kejriwal's popularity and charisma is a serious cause for concern

DR. B. N. MEHRISH former Professor of Politics, University of Mumbai. Email: brijesh.mehrish@gmail.com

Traffic Offenders are not Felons

"You can't keep treating normal people with traffic tickets like felons. I live a normal life. I have a son. I'm not a bad person.

Herbert Nelson (Jr.) a resident of Ferguson (USA) who is part of a lawsuit contending that cities in the St. Louis region have created a modern-day debtors' prison with tickets and jailings to raise revenue.

NY Times.com, 9 February 2015

The Anti-Renaissance of Kiran Bedi

Firoze Hirjikaka

The person I feel most sorry for is simple, earnest Anna Hazare. Bedi, along with Arvind Kejrival, has deftly used him to piggyback to political power; and then cast him aside like a used towel.

nce upon a time, there was an upright and efficient police officer named Kiran Bedi. She was the first woman to break the glass ceiling for senior positions in the Indian Police Service (IPS). She almost single handedly reformed the 19th Century prison system in Delhi and subsequently in the rest of India; and was awarded the prestigious Magsaysay award for her efforts. She was known for plain speaking and openly expressed her disdain and contempt for the political scenario in the country. She enthusiastically joined the Anna Hazare movement that abhorred the corruption and nepotism prevalent in all political parties of the day. That was once upon a time not so long ago. Whether it was coincidence or not, when AAP was soundly thrashed in the 2014 Lok Sabha elections, Bedi underwent a sudden transformation.

Kiran Bedi is like a reverse phoenix. Instead of rising from the ashes, she has sunk into them. The erstwhile crusader who was an ardent supporter of the Anna Hazare movement that denounced the existing political system, encompassing all parties, as corrupt and unfeeling has now become a primary member of the party in power; the one time champion of secularism has now joined a party that unashamedly claims affiliation with the Rashtriya Sevak Sangh (RSS) and offers benevolent encouragement to its ideologues; the upright stalwart who stood on principles now blithely ignores them under the lure of political power.

Kiran Bedi has been anointed as the official BJP candidate for Chief Minister of Delhi. Her high profile induction - by no less than the Arun Jaitley and Amit Shah - into the BJP should come as no surprise to those who have been following television debates over the past several months. The one time tell-it-like-it-is crusader has been exceptionally mellow where the BJP was concerned. She has refused to utter one word of criticism, even when some of the BJP's actions were clearly questionable. During her sojourn as an ardent supporter of the Anna Hazare movement, she got along famously with Arvind Kejriwal; and later on when he formed the AAP, she had no problem with his assertion that the AAP was formed to provide a positive alternative to business-as-usual political parties,

which presumably included the BJP. She has now deftly executed a 180 degree turn without any qualms. It just goes to show that the lure of political power is so formidable that it supersedes beliefs and principles held over decades.

We get it, Ms. Bedi. We get that the lure of political power has proved irresistible. But do we have to suffer over-the-top platitudes like describing yourself and other BJP leaders as stars revolving around the Sun God Modi? This is exactly the kind of cloying sycophancy that the Congress has been routinely accused of: and which the BJP has vociferously criticised. It is even more shocking from someone who has built her reputation on being plain spoken. It seems even the prospect of power corrupts absolutely. The person I feel most sorry for is simple, earnest Anna Hazare. Bedi, along with Arvind Kejrival, has deftly used him to piggyback to political power; and then cast him aside like a used towel.

What personally irritates me about the reborn Bedi is her supercilious, school-marmy attitude towards the general public. She always gives the impression of a guru talking down to her less enlightened shiksas. Almost everything she says takes the form of platitudes and homilies; and if her intention is to inspire, it usually ends up as irritating and bordering on the hypocritical. During the Delhi election campaign, she is trying to connect with the masses but given her naturally authoritarian nature, it is not quite working. She considers herself above the common herd and it shows; a fact that was graphically illustrated by the resignation of her campaign manager, who referred to her as dictatorial. He later took it back, but only under pressure from the all-powerful Amit Shah

As I write this, the election results for Delhi have not yet been announced. However, if the opinion polls are to be believed, the Aam Aadmi Party (AAP) will get more seats than the BJP, although perhaps not enough for an absolute majority. If this turns out to be the case, it will mark a watershed moment in the current political scenario in this country. Delhi will be India's El Alamein as it were; the place where the Modi juggernaut that has

been bulldozing all opposition for the past year was stopped in its tracks. To paraphrase Winston Churchill, it may not be the beginning of the end (for the BJP), but it will mark the end of the beginning. And what will Kirandidi's fate be then? I cannot imagine someone of Bedi's imperious temperament to be content as a minor functionary in the BJP - and I suspect that many old hands of the party will be glad to see her get her comeuppance. Unless she gets a position that she considers deserving of her self-exalted status, she may well deduce that the AAP were right all along. A turncoat usually has no qualms about turning again when it is to her advantage.

After her nomination as the putative pretender to the throne of Delhi, Bedi's campaigning style has been far from stellar. She gets animated mainly when she extolls the virtues of her god-like PM. Apart from that, she has nothing new to offer. Ironically, while she constantly harps on her "40 years of experience", her homilies and body language are not that of a go-getter. Her justification for shying away from a one-on-one debate with Kejriwal was tepid at best. One would have thought that a fighter like her would have relished the opportunity to have a go at her one time ally, who she now calls a charlatan. Instead, we got lofty sounding excuses which convinced no one.

Then again, she ignored Kejriwal's challenge of a direct electoral contest and chose a "safe" seat in Delhi to avoid any possibility of an embarrassing defeat. The only moment of sincerity occurred during an interview with Barkha Dutt, when she unguardedly admitted that she was not a politician. We agree madam, but in that case what are you doing there?

For all the outward bravado, I suspect it is beginning to dawn on the BJP top brass that perhaps Bedi's was not the inspired choice they first imagined. Could the master strategist Amit Shah have miscalculated for once? A piquant situation may arise if Bedi's wins her seat, but her party fails to form the government. Will she then look to her munificent master to afford her a "suitable" position at the Centre? Modi likes winners and has no time for losers. He is not exactly known for compassion. La grande dame Bedi may have overplayed her hand.

FIROZE HIRJIKAKA is a retired civil engineer, a freelance writer. He can be contacted at leonardo8_99@yahoo.com

(This article was written on 5 February 2015 ten days before the results of the Delhi Assembly elections were declared. Ed.)



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BJP and Narendra Modi

S. Arunajatesan

It is easy to talk and raise people's expectations sky high, but difficult to perform.

agree with the views expressed by Firoze Hirijikaka and Bapu Satyanarayana (*Freedom First*, February 2015). While Prime Minister Narendra Modi is familiar with Gujarat, the BJP is familiar with a few states like Rajasthan, Karnataka, Madhya Pradesh, the enormity of the size of India and the complexity of individual states on account of culture and other factors, which constitute India is not known to any political party except perhaps the Congress, to some extent. Once the Janata Dal with tall leaders overthrew the Congress Government, but lost the race in the next election. The BJP also ruled for five years peacefully and lost it thereafter.

Corruption is condemnable, but it continues to cause damage. It is easy to demoralize and even finish the political leaders on corruption charges. The leaders may fall but corruption survives and grows. The present Government's plan of action on this count is not known.

Is Modi Overrated?

In my opinion Modi is overrated. He is a well dressed powerful orator. He can at best qualify himself as a charismatic leader. Such leaders know how to win elections but not how to rule for the betterment of society. He is basically an RSS member and his heart and soul still lies with that organization. The newly assumed role of a Prime Minister demands shedding RSS policy and style. It may take time if at all it happens. In fact his inability to control the prattling of fringe groups has made his Government a laughing stock among sensible and intelligent people.

It is easy to talk and raise people's expectation sky high, but difficult to perform. There seems to be only a dim hope of fulfilment of the tall promises made by Modi before the elections. No doubt it is too early to judge, but in raising unwanted and dangerous controversies his party men are making it that much for difficult. That is where the trouble lies.

The Gujarat model is talked about with great pride. Did Modi's rule make Ahmedabad a vibrant city beating Mumbai, Bangalore, or Chennai? Can we say the state of Gujarat is a mini China or Korea? And then, what is meant by achievement? Do textiles, chemicals, and products from Gujarat compete on quality or price? Has he tried and succeeded the 'MAKE IN INDIA' campaign, in Gujarat at least, to a limited extent?

Take for instance the late Dr. Verghese Kurien who went from Chennai to Gujarat produced wonders in dairy development in Anand. The whole country adopted his model and succeeded. Is there any such achievement Modi can count upon? In my opinion the party and the Prime Minister will find India too big and too complex to rule and succeed. Perhaps the BJP Government may fail to measure up to the low standard of the derided Congress Government when they complete their five year term.

One of the matters that needs immediate attention and action from the Modi Government and particularly from Modi personally is secularism. The fact is that India cannot be declared a Hindu country despite Hindus constituting 85% of the population. Whether it is done openly or stealthily there will be turmoil and chaos in the country. No foreigner will come forward to invest here. No Indian will feel proud of it.

S. ARUNAJATESAN, a retired Banker and a Liberal, is based in Chennai. He can be contacted at jatesansbi@gmail.com

Thank God for The TATA's (Cont'd. from page 8)

villages, they will return with knowledge that will truly be life-altering. Corporate India can do it but most of the time is willing to shy away...Tata Steel celebrated 100 years of existence in 2007. It isn't just a milestone in this company's history. It will be a milestone, to my mind of corporate transparency and generosity in this country.

JRD must be smiling wherever he is. And so must Jamshedji Nusserwanji. These people today have literally climbed every last blue mountain. And continue to do so with vigour and passion.

Thank God For The Tatas!

LAKSHMI MITTAL is an Indian steel magnate. He is the chairman and CEO of ArcelorMittal, the world's largest steelmaking company. Mittal owns 38% of ArcelorMittal and holds a 34% stake in Queens Park Rangers Football Club.

This is an excerpt from the text available on the Net. Contributed by reader, Melanie Silveira, Pune.

The Rural Perspective (1)

Union Budget 2015-16

Taking Care of Farmers' Interests

Yalamanchili Sivaji

An industrialist can manufacture goods and sell them anywhere in the country and with virtually no price controls. In contrast, a farmer cannot sell his produce outside his state and even outside his district in some cases, leave alone having the freedom to export it outside the country.

et me at the outset thank the Union Finance Minister Arun Jaitley for having invited me for this session for pre-Budget consultations. I humbly suggest that the Finance Ministry follow up the ideas that emerge in such a discussion, instead of treating it as an annual ritual.

The change of Government in New Delhi has engendered hopes of a new dawn in the entire country. Prime Minister Narendra Modi's motto of 'Minimum Government and Maximum Governance' is something the country has been looking forward to for decades. I am glad that the Modi Government is taking forward economic reforms launched in the country since the 1990's by successive Prime Ministers. The Governments over the years have unshackled business and industry so that the animal spirits of entrepreneurs can be unleashed.

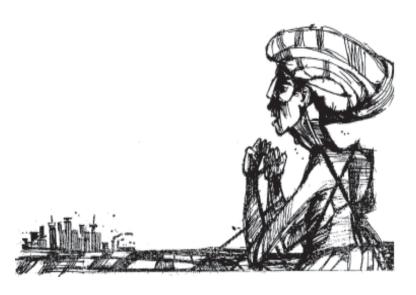
What is glaring, however, is that the Government has turned a blind eye to the agriculture sector, which provides livelihood to more than 70 per cent of the country's population either directly or indirectly, and villages where most of them live.

An industrialist can manufacture goods and sell them anywhere in the country and with virtually no price controls. In contrast, a farmer cannot sell his produce outside his state and even outside his district in some cases, leave alone having the freedom to export it outside the country. The Government often does intervene only to hurt the interests of farmers. For instance, if onion prices shoot up in local markets, the Government chooses to ban exports. There is no consistent export policy for our agri-exports. While import of many of them are under OGL or Open General Licence, exports are restricted. While liberalization is in existence for more than two decades. internal liberalization conspicuously absent and restrictions still in vogue on transport, processing and storing

of agro commodities. The Government should abandon such fire-fighting policies, come up with dependable, stable and credible export and import policies that safeguard farmers' interests.

I suggest that the Government formulate a policy to liberate the agriculture sector from the Government's stranglehold. As part of such a policy, foodgrain procurement should be decentralized, and the major responsibility shifted to the states. With the states now imposing various types of taxes and cesses on grain procured by the Food Corporation of India, the cost of foodgrains has been going up by about Rs.2,500 per ton.

Foodgrains are procured largely to meet the needs of the public distribution system and to serve as buffer stock. The Government has even enacted a law to provide food security to people, especially the poor. Should Governments view even food grains as a source of revenue for the exchequer? I can understand liquor and cigarettes being subjected to sin tax, but not essential items like wheat and rice.



The cost of production of agricultural produce is area specific and with wide variation. Thereby the states are submitting their own figures of cost of production and are paying bonus too, since they are nearer to the people. I suggest the Union Government to fix the Minimum Support Price (MSP) consolidating all these figures and the difference between the recommended prices of states and CACP may be met by state governments concerned. The MSPs can be linked to the index of inflation.

While ten infrastructure Companies with sticky loans of Rs.6,31,064 crore owed to public sector banks are going for corporate debt restructuring, total outstanding direct finance to the whole agriculture sector is only Rs.5,31,701 crore spreading over 4,39,47000 accounts. Mention was made during the presentation of the last budget on 10th July of enhancing agriculture finance to Rs.8 lakhs crore. But I am afraid in the absence of a delivery system, it may be only a stock and not the flow.

I am amused when state and Central governments incessantly talk of taking the fibre optic network to every household. Those who indulge in such fantasies are apparently unaware of the ground realities in Bharat that is India. Our rural areas are in a state of utter neglect. The physical infrastructure is in a state of mess with habitations having no roads, transport facilities, schools, health centres and power supply. If people die in a heat or cold wave for want of power, it amounts to Statesponsored homicide.

With the Government abdicating its primary role of ensuring quality education and health care to all, people in rural areas especially are put to great hardship in accessing costly services being provided by the private sector.

Unless the physical and social infrastructure in rural India is improved the exodus to urban areas will accelerate and make the life of even urban people more miserable. The Government should come up with a policy to decongest urban areas through suitable disincentives and improve rural infrastructure though suitable incentives.

I would like to conclude by raising a couple of fundamental questions. Should the Government of India continue to encroach upon states' jurisdiction by dabbling in various sectors like education, health, agriculture and irrigation? I suggest that the Government of India take a U-turn and let the states function in their domain without any interference. They should be helped liberally with devolution of taxes and grants so that they can discharge their duties better.

The Government is struggling hard to meet the fiscal deficit and disinvesting its stake in public sector units. The state is discouraging smoking, but at the same time the government and their financial institutes are holding more than 1/3rd stake in I.T.C, the major cigarette manufacturing company. I advise the government to offload their shares which will help mop up about Rs.1,000 billion of the deficit. Through a policy of disinvestment of such shares, the Government can raise resources to accelerate investment in infrastructure and shed the odium of propping up the private sector.

DR. YALAMANCHILI SIVAJI, Former Member of Parliament, Guntur. This is the text of his Presentation at the pre-Budget meeting of farmers' interest group on 16th Jan, 2015, convened by the Ministry of Finance, Government of India. Email: freedomfirst1952@gmail.com

How to Stop Worrying

Being of a somewhat worrying temperament I found myself at the beginning of June faced with some seven major anxieties about things going wrong. I was suddenly reminded of being told many years ago about a gimmick by which one could learn that most worries never materialise or come true. So I tried out this gimmick. I wrote on a piece of paper on 6th June my seven major worries of calamities that would descend on me by the end of June. Now when the end of June came I took the paper out of the drawer where I had confined it and hey presto! I find that six out of seven anxieties have dissolved into thin air leaving only one carried over to July. It is true that a new problem has arisen about which I was not aware on 6th June. The result of the experiment is not to worry but if you must, write your worries on a paper at the beginning of the month and discover at the end of the month how needlessly one worried. Dear reader, try this for yourself if necessary.

Minoo Masani, Freedom First No.399, October 1988

The Rural Perspective (2)

Union Budget 2015-16

Exploitation of Agriculture

Sharad Joshi

In all my writings on the subject of exploitation of agriculture, I have mentioned only two phases, one the British colonial phase and second, the socialist phase that is the post-1947 phase. The new budget will have to be presented in the context of the new phase of exploitation that may be roughly called the Modi era of exploitation.

he distinguishing features of this era are declining size of agricultural land, increasing importance of 'Rurban' society, increasing domination of land mafia and increasing proportion of younger people in the voters' list which have made the farmers' political clout relatively less significant. This can be seen from the fact that the Narendra Modi government has taken several decisions that are quite opposed to the interests of the farmers. For example, even though the Bibek Debroy Committee has made a clear case for abolition of the Essential Commodities Act, the Narendra Modi government appears to have revived it and actually brought two important agricultural commodities - potato and onion under the Essential Commodities Act. Further, the changes it has made to the Land Acquisition and Resettlement and Rehabilitation (LARR) Act exposes the government's adverse dispositions towards farmers.

In the context of the new budget I would like to bring out five points which I had already mentioned in my earlier submissions.

1. The position of crude oil in the Indian Balance of Payment (BoP).

Fortunately, since Narendra Modi government came to power, the global situation regarding crude oil has completely changed and the crude oil prices are actually going down. Still there is scope for reducing the burden on the BoP due to the dependence on imported crude oil, by encouraging production and distribution of bio-fuels – Ethanol and bio-Diesel. That will be helpful to agriculture also.

2. Edible oilseeds and edible oil.

Since we are dependent on import of edible oil seeds and edible oil to the extent of more than 40%, that too puts a heavy burden on our BoP and the global situation has not changed like in the case of crude oil. In the new budget, specific measures need to be taken for improving the production and supply of

edible oil seeds and edible oil if the Finance Minister desires to reduce its impact on the BoP. An improvement in irrigation facilities, particularly in Madhya Pradesh, which is the main supplier of edible oilseeds, will take care of this problem.

3. Rural indebtedness

I have mentioned in my various writings and presentations that rural indebtedness is both illegal and immoral. All agricultural loans are illegal because under the Contract Act, if a party to the contract frustrates performance of the contract of the other side, then the contract becomes void. The bank loans were given to farmers with the stipulation that the government will not do anything that will actually make it difficult for the farmers to repay the loans. Here, in this case, the Government gave the farmers the loans and through anti-farmer price-depressing measures, ensured that the farmers would be unable to repay the loans, and, therefore, under the law all the farmers' debts are void.

Secondly they are also immoral for the simple reason that the Government owes to farmers something like three hundred thousand crore of rupees according to the WTO statistics (as established in the report of the Task Force on Agriculture under the previous NDA government) because of the negative subsidies that have been imposed on the farmers in 10 years from 1991 to 2000. Compared with that, the estimate given by the Radhakrishna Committee of total indebtedness of farmers of 1.30 lakh of crore of rupees is insignificant. It is not the farmers who owe money to the Government. In fact, it is the Government which owes more money to the farmers. The amount of agricultural loans written off under the Agricultural Debt Relief and Loan Waiver (DRLW) Scheme is meagre compared to what the government owes to the farmers. Further, electricity bills form the largest single component of agricultural inputs. Therefore, the DRLW which excluded the electricity bills from waiver was both unfair and unjust.

The Finance Minister is requested to re-examine the DRLW Scheme on the basis of observations recently made by Raghuram Rajan, the Governor of RBI.

4. The current situation of rural loans, particularly in the context of climate change and climate frailty.

In Maharashtra repeated unseasonal rains and hailstorms have ruined the farmers and I have had the occasion to request the Chief Minister of Maharashtra to re-examine the whole situation of agriculture in Maharashtra in the light of the fact that agriculture in Maharashtra stands totally devastated. The Finance Minister may also consider the idea to launch some scheme like the Marshall Plan which made it possible for the post-II World War European countries to stand on their own feet and be able to compete even with the OECD countries.

5. Land Acquisition Ordinance

As regards the Land Acquisition Ordinance, the Shetkari Sanghatana is quite opposed to the idea of getting anything done through ordinances, particularly if the content of the ordinance goes against the provisions of the Indian Constitution at some time or the other. Under the original Dr. Ambedkar Constitution, the people gave themselves the right of property that is the right to acquire, possess and

dispose of property at his will. This right was, unfortunately, nullified by subsequent amendments to the Constitution. The fact stands that right to property was a part of the Indian Constitution and it cannot be summarily disposed-off by mere ordinances. Under the original Constitution the farmers have the right to acquire, maintain and dispose of land property and any amount of compensation cannot take that right away. The correct position would be if a farmer wishes to continue to stay with agriculture despite the adverse situation, the government will have no right to acquire his land for whatever purpose. On the other hand, if a farmer wishes to discontinue agriculture then he should have the right to disposeoff his land to whomever, whenever and at whatever price he chooses. The present ordinance will have the effect of strengthening the position of the government departments to the disadvantage of the farming community.

Judged by the reactions of the present landholders, it would appear that the Ordinance would only cause further confusion and would make industrial development even more difficult than at present.

SHARAD JOSHI, National President, Swatantra Bharat Paksha, founder Shetkari Sanghtana and former Member of Parliament (Rajya Sabha). This is the text of his presentation (in absentia as Mr. Joshi is in poor health) at the Pre-budget meeting of Farmers' interests group on Agriculture for Union Budget 2015-16, convened on 16.01.2015 by the Ministry of Finance, Government of India. E-mail: sharadjoshi.mah@gmail.com

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Distortion, Damned Distortion and National Accounts Statistics

Sunil S. Bhandare

How does such statistically driven enhancement of growth rates help policy makers and various stakeholders of the economy?

hat a pleasant surprise it turnes out to be just on the eve of the forthcoming budget – a sudden disclosure of impressive growth numbers emanating from the revised national accounts data series! We are now being told that the economy has been cruising at the impressive rate of 6.9% in 2013-14 and 7.4% in 2014-15 – and not at the stunted rate of 5% and 5.5%, respectively, as was widely proclaimed practically in all the official sources, including of the Reserve Bank. How has this wonder been made possible? And here runs a story of a revised data series compiled by the Central Stastistical Organisation and released by the MOSPI recently.

What does it seek to convey? Some technical explanation becomes imperative. In effect, the new series provides for three crucial features: first, the revision of base year from earlier 2004-05 to 2011-12; second, the inclusion of international guidelines involving conceptual changes – for example, the earlier practice was of calculating gross domestic product [GDP] at factor cost. This will no longer be operational. Henceforth, GDP at market prices will be referred to GDP and this will comprise Gross Value Added [GVA] at factor cost [or at basic prices] + production taxes – subsidies; and third, incorporation of revised methodology of compilation, latest classification systems and new and recent data sources.

Consequent upon such changes, there is a substantial revision in both absolute figures and relative

growth rates of GDP data measured under old series [2004-05 base year] and new series [2011-12 base year]. Not to confuse readers with a huge data muddle, only growth rates are shown in the following table below:

So far so good! But how does such statistically driven enhancement of growth rates help policy makers and various stakeholders of the economy? And here we run into major confusion and cobwebs. Listen to the words of caution coming from no less a person than the Chief Statistician of India, Dr. T. C. A. Anant [excerpted from *Mint* of February 12, 2015]. He points out that

- [a] a growth rate on par with China doesn't mean that India's economy is booming;
- [b] despite what the numbers say, the economy is still recovering and the central bank shouldn't use the upward revision in growth alone to decide on interests rates: and
- [c] RBI shouldn't use these numbers mechanically. ... If you use old models for new data, your judgement won't be accurate.

Almost in the same vein, the Chief Economic Adviser, Ministry of Finance, Dr. Arvind Subramanian has called the data mystifying and puzzling. How has the Reserve Bank reflected on this new phenomenon? In the latest monetary policy statement, it is evident that the Reserve Bank is using the old GDP base figures and retains growth rate at 5.5% for 2014-15. Further, it observes that

GDP at Market Prices	Old	New	GDP at Market Prices	Old	New
[Constant Prices]*			[Current Prices]		
2012-13	4.7	5.1	2012-13	12.2	13.1
2013-14	5.0	6.9	2013-14	12.3	13.6
2014-15**	5.5#	7.4	2014-15**	NA	11.5
					1

^{*} Real GDP ** Advance Estimate available only for the new series. # According to Govt of India's Mid-Year Review released around Mid-Dec 2014.

"for 2015-16, projections are inherently contingent upon the outlook for the south-west monsoon and the balance of risk around the global outlook. Domestically, conditions for growth are slowly improving with easing input cost pressures, supporting monetary conditions and recent measures relating to project approvals, land acquisitions, mining and infrastructure. Accordingly, the central estimate for real GDP growth in 2015-16 is expected to rise to 6.5 percent with risk broadly balanced at this point". More importantly, it points out that the revised series of GDP statistics will need to be carefully analysed and could result in revision in its growth projections for 2015-16.

Does it help the Finance Minister in his fiscal management? The sharp upward revision in estimated real GDP growth in 2014-15 may help the NDA government to be pretentious about its so-called performance in the very first year of its tenure. But it is unlikely to improve the crucial parameter of fiscal management – the fiscal deficit to GDP ratio. To keep this ratio within the budgetary target of 4.1%, the absolute amount of fiscal deficit in 2014-15 will have to be cutback from Rs.531,177 crore to Rs.518,806 crore – that is by over Rs.12,000 crore. However, the official data shows that the deficit has already reached Rs.532,000 crore during April-December 2014-15. Thus, a major cutback in Plan Expenditure is inevitable with its adverse implications on capital formation and future growth.

Further, with 7.4% real GDP growth rate in 2014-15, the FM in his Budget will have to pitch for a higher growth target, say, of 7.5 to 8% for the next fiscal year [2015-16]. Will this carry any conviction with business and industry or investors, either domestic or foreign? How about the ground reality? Come and behold the lacklustre industrial growth numbers, moderate top-line [sales and other income] increases of corporates, setback to agricultural economy, moderate bank credit growth and lack of buoyancy in government's tax revenues. In substance, what transpires is that the issue of trustworthiness and related measures of economic analysis would continue to harass policy makers and all other stakeholders of the economy.

Not surprisingly, many keen observers have already expressed their scepticism about revisions in GDP growth numbers. Perhaps, never before the revision in the base year or improvisation of data system have created such distortions in levels of growth rates and in interpretation of other key macro-economic parameters. Illustratively, the interesting fall-out from this data is the derived estimation of average inflation rate in 2014-15. Thus, in nominal terms [real GDP growth + inflation], the growth rate is projected at 11.6%; and given the estimation of 7.4% real GDP growth

in the revised series, the average inflation rate would work out to be around 4% in 2014-15. This would be music not only for ordinary citizens, but also the Reserve Bank, which is so desperately trying to rein in inflation under 6% to soften its monetary policy further. Obviously, such inflation rate does not sound credible.

A couple of more distortions: First, based on the revised capital formation data and growth rates, India has done well for itself with more efficient use of capital. However, there are no visible indications either of investment recovery or more productive capital usage. Second, the new series suddenly reveals some distinctive shift in GDP's structural composition – relative increases in shares of agriculture and industry at the cost of services sector under the old series. This is a contrarian trend. Besides, there are problems of using the revised data to compare India's performance over the longer-term. Dr. Bibek Debroy, Member of NITI Ayog states thus: "any comparison with earlier series is not only difficult but impossible. We shouldn't even try. Let's be content with the fact that we are measuring GDP, and its different components, a little better. So, one hopes."

In substance, the new series of national accounts may give a sense of comfort – a psychological "feel good", but has caused disruption in comprehension and interpretation of the data. It has created urgency for greater clarity – and that can only come from official institutions like MOSPI, MOF, NITI Ayog, RBI or statistical experts engaged in this activity. Shall we await more official enlightenment?

SUNIL S. BHANDARE is a Consulting Economist based in Mumbai. Email: sunil.bhandare@gmail.com.

A Definition of "Political Correctness"

There's an annual contest at Bond University, Australia, calling for the most appropriate definition of a contemporary term.

This year's chosen term was: "Political Correctness".

The winning student wrote:

"Political correctness is a doctrine, fostered by a delusional, illogical minority, and promoted by mainstream media, which holds forth the proposition that it is entirely possible to pick up a piece of shit by the clean end."

...The most truthful words ever spoken...

Contributed by reader Narendra Ch, Hyderabad.

Foreign Relations in the 21st Century

Global Power Structure in Transition (Part 2):

A New Bipolar World Underway?

B. Ramesh Babu

Relations between nations are multi-faceted and there is always room for disagreements on some issues even as they work together on shared interests.

India's Russian Link

In the changing global strategic architecture, it is most crucial for India to build on our equation with Russia. In the recent past, i.e., since the country's rightward political/ideological shift in the wake of economic/political reforms launched in 1990s, India moved closer to the US. This was also the period of Russian retreat from the global arena. India allowed its traditionally close relations with Russia to slide down and stagnate. There was a quick succession of leadership at the very top in Russia for a decade or more. Consequently, the Russian side also let things slacken. It seemed that India was forsaking the friendship of a trusted and dependable ally at a time when the latter was on the decline. This was a mistake and Putin's Russia has given us the opportunity to make amends.

Prime Minister Modi grabbed the opportunity with both hands. He utilised the BRICS and G-20 Summits to foster a warm and friendly personal equation with the powerful and brave Russian leader. He invited Putin to visit the Kudankulam nuclear complex during the annual India-Russia Bilateral Summit scheduled for early December 2014. Modi went all out to turn the Russian President's brief visit into an eventful revival of the bilateral equation. He declared Russia as the "foremost defence partner" of India. As many as 20 new agreements were signed and Russia agreed to build twelve new reactors in the Kudankulam nuclear complex. Joint production of advanced weapons and helicopters were announced. India would also buy more weapons from Russia immediately. Russia also agreed to ship huge quantities of LPG to India immediately. The overland pipeline was found to be commercially unviable. A multi-billion dollar deal was signed between ESSAR and ROSNETT, the Indian company and Russian corporation respectively.

In an imaginative innovation with vast potential, Modi declared that Russia and India will focus on direct bilateral trade in diamonds. Instead of addressing the joint session of the Parliament, Modi invited Putin to jointly inaugurate the World Diamond Conference. Russia is the World's largest diamond producer. India is the World's biggest centre for cutting and polishing rough diamonds. The annual exports from India are in the order of \$20 billion. Alrosa, the Russian group of diamond miners, signed contracts with 12 Indian companies for the supply of diamonds worth \$2.1 billion over the next three years. Modi announced the creation of a Special Notified Zone for the import of rough diamonds on a consignment basis and to re-export unsold ones. This is indeed a huge and "sparkling" new addition to India–Russia bilateral trade.

The revival of the multi-pronged link with Russia naturally triggered quick expression of displeasure from the US. This was not the time for "business as usual" with Russia, they remarked. America was deeply pained over the Ukrainian crisis and also because the Crimean Premier Sergey Aksyonov, who was on America's sanctions list, accompanied Putin. I don't think India should worry much over the adverse American reaction. There are many issues of even greater importance for India than to be upset over America's policies – its double standards in dealing with Pakistan sponsored terrorism against India, for example. Relations between nations are multi-faceted and there is always room for disagreements on some issues even as they work together on shared interests.

Close and extensive economic and defence relations between India and Russia are crucial for both nations. Russian economy needs the Indian market for exporting their vast energy reserves and India needs access to the vast energy source to meet our ever growing demand. If the two sides work out a Rupee-Ruble arrangement for all transactions between the two nations, the foreign exchange hurdle of the dollar route can be bypassed. That will be a real breakthrough. Retaining Russia as a viable alternative defence partner and weapons supplier is vital strategically. There is another key dimension to our link with Russia. In our multi-pronged strategy of containing China, we also need Russia on our side as an extra backup in case of another war on the Himalayan border. Let us not forget that Russia stood aside during the 1962 war

with China instead of supporting the fellow communist ally as expected. Russia needs China in facing the US and the West. But Russia also needs access to India for energy exports and weapons sales.

Conclusion

It is clear from the above analysis that another paradigm shift in the architecture of the global power structure is in the making. As the world transits into a new balance of power, India should be agile to the crucial need to keep its options open. We are now a global player in our own right and there is no need to be defensive in seeking to influence global balance of power in our favour.

It is important to be alert to the possibility of the US and China reconciling their differences, even as we seek to move closer and closer to the US on all fronts, including the strategic security area. (This will be the theme of next article dealing with the very significant visit of the President Obama to India in January 2015). Top policy makers of the US know that there is an unseemly disconnect between its cooperative economic and hostile strategic/ideological policies towards China. This needs to be sorted out. If China decides to give up its expansionist designs in South Asia and Asia Pacific, reconciliation between the US and China should not be insurmountable. For example, Robert D. Blackwill, an influential foreign policy analyst in the US and a former American Ambassador to India, suggested Presidential level direct and secret interaction between the two leaders, as a way out. He strongly recommended that Obama and Xi should personally sort out the differences between the two nations. What is even more significant is the fact that Blackwill outlined his ideas along these lines in a speech before the China Foundation for International and Strategic Studies, Beijing, on 11 December 2014, at their invitation. He stated:

"Because of profound differences in history, ideology, strategic culture, and domestic politics, the United States and China have diametrically opposed and mutually incompatible perceptions regarding the future balance of power in Asia – in short, the two countries have conflicting grand strategies."

He went to add,

"Although both sides will deny it publicly, the main thrust of U.S. policy is to maintain its strategic primacy in Asia, and the main thrust of China's policy is to replace the US as Asia's leading power. There are those in each country who disagree with these trends, but they are in a distinct minority in

both nations. This being the case, until one side or the other, or both, change grand strategy, which I do not foresee happening anytime soon, there is no prospect of building fundamental trust not to say a strategic partnership between the US and China. The agreements of the recent Beijing Summit on climate, military confidence building measures investment facilitation, high-tech cooperation and the visa convenience do not affect that deeply rooted and potentially dangerous strategic reality."

Ambassador Blackwill, therefore, advocated direct one-to-one dialogue between the two Presidents to sort out the differences so as to avoid a conflict/showdown neither side wants

President Obama is not as ideologically oriented as President Bush and the other predecessors in the White House. It is very relevant to point out that President Obama's first foreign trip was to China and he took the initiative to invite China to work together with the US as the G-2 of world affairs. He asked China to play a more active role in South Asia. Naturally, India conveyed its strong displeasure to the top leadership in Washington. However, China refused to fall into what it dubbed as "the American trap" to make China the junior in America's global hegemony. China sees itself as a global super power in its own right and a rival to the US. Obama quickly dropped "the hot potato" and hurried back to the safety of the established national policy of anti-communism.!

Time doesn't stand still and it is entirely likely that the US-China mutual perceptions have mellowed since then. In any case President Obama has not been a vocal critic of China's abysmal record on human rights violations, whereas he was openly critical of the military regime in Myanmar, for example! Obama and Xi are ideally suited to take brave and innovative departures from the entrenched and frozen postures of the past. Obama need not worry about electoral politics anymore. He has only two years left in his presidential tenure and is literally free to do what is necessary for the good of his country whether it is politically right or not. After all, every President wants to earn an honourable place in the nation's history. Obama has already shown that this will be his approach during his second and final term as the President. He forced much needed changes in the nation's immigration laws through an Executive Order. Immigration reform is one of the most controversial issues in American politics, which no previous President dared to touch for three decades. Obama succeeded in providing much needed health care

Cont'd. on page 27

Obama Visit: A New Era in India-USA Relations?

Nitin G. Raut

In geopolitical terms, the emergence of China as a military and economic global power and a competitor to the US should by itself ensure convergence of mutual strategic interests between India and the USA.

Prime Minister Narendra Modi and US President Barack Obama have set in motion a new era in Indo-US relations. It is a display of India's power diplomacy that is on the roll. It is an engagement that has elevated the level of relations of the two democracies and will lead to consistency in policy and relations even if it is more out of compulsion and necessity. For the first time Indo-US relations are crafted by delinking the Pakistan factor and making the relations central to a wider Asia Pacific and Indian Ocean Region. The signs were already visible when Obama hosted the first State banquet for Prime Minister Manmohan Singh, but UPA, still clinging to the fossilised Non-Aligned Movement(NAM) and overtly sensitive to Chinese reaction, dissipated US goodwill in Obama's first term.

In geopolitical terms, the emergence of China as a military and economic global power and a competitor to the US should by itself ensure convergence of mutual strategic interests. The US realizes that for the US to focus on East Asia and the Pacific Region where China is sabrerattling on Senkaku Islands and the South China Sea, India can be a good counter balance if it emerges as an economic and military power. Also the thrust of Modi's diplomacy is economic benefits by enhancig US investments and defence purchases. The US knows that for a stable South Asia, India is the bulwark against China. It is in this larger strategic framework that the US and India are redefining their strategic priorities so that the US maintains its global primacy and India emerges as an Asia Power.

Modi's Game Plan

If ideology is to be considered, the BJP under Narendra Modi is closer to the Republicans. Even in Modi's difficult days of international isolation and denial of US Visa, many conservative Republicans rallied around Modi. Obama is perceived as a "liberal" in the Democratic Party while Modi is a dyed in the wool of RSS *pracharak* groomed in politics where nationalist feeling is the bedrock of the RSS ideology. Yet Modi is shrewd enough to capitalize on US goodwill by not only elevating defence and strategic relationship but simultaneously ensuring an atmosphere conducive for the US business interests and

investment which ensure and create jobs as much as in the US as in India. It is such economic interdependence that will ensure a sustained interest in mutually beneficial defence and strategic co-operation. And Modi is striking when the iron is hot. It is an era of Modi Doctrine of the Indian foreign policy. Modi's efforts are to secure India as a global player in international affairs where India's voice becomes crucial. It is in this context the operationalisation of the Nuclear deal is a diplomatic master stroke by Modi.

Pragmatic Approach

India is certainly emerging as a major nation with whom the US is seeking to deepen its ties on defence, terrorism, business and trade. The hallmark of Modi's foreign policy is pragmatism devoid of ideological constraints. Therefore the US is no more an "imperialistic" power and neither is Russia a 'champion' of the Third World. India has rightly asserted world navigational freedom in the South China Sea and, at the same time, kept the doors open for US and Chinese investments. The multilevel engagement ensures tactical flexibility in India's foreign policy.

It is an opportunity for both but with a difference. For Obama in his second term there are no stakes of reelection except his contribution to the US foreign policy and strategic interests and retaining US primacy as the unchallenged global power. For Modi in the first year of his five year term the stakes are enormous. The development agenda in a way hinges on Indo-US Economic Co-operation and business investment in India. Any slip up will impact BJP's re-election in 2019.

Upgrading Defence

The visit has seen a significant upgrading of defence co-operation. The US decision to help India build a large 65,000 tonnes aircraft carrier is not just beneficial for India but is an explicit acceptance of India's strategic role in the Indian Ocean. After years of Army centric defence policy, understandably so given the fact that India has a long land boundary with two hostile neighbours – Pakistan and China – India under Modi has expedited the modernization of the Indian Navy. Today the US is India's

single largest supplier of military hardware, and India has to capitalize politically.

The southern tip of the Andaman and Nicobar Islands is 150 kms from Sumatra the mainland of Indonesia and overlooks the Straits of Malacca. India should bolster its naval base in the Andamans in a manner that the Indian Navy is able to impose a sustained blockade in Malacca should the need arise. 70% of China's oil supplies from the Gulf passes through Malacca and India should build a naval power to command and control Malacca in a manner that China realises the potency of India's geostrategic capacity which, if effectively calibrated in alliance with the US, can temper China's adventurism on India's northern borders.

In his State of Nation address, Obama has declared war on terrorism and India should play its due role. The ISIS considers India, Israel and the US as enemies of Islam. On the vexed issue of Af-Pak, it would be in the interest of overall Asian stability that the US restrains Pakistan's

plan to subjugate Afghanistan and prop-up the Taliban. This will enable India to play a positive role in rebuilding Afghanistan and also keep terrorists at bay. With the victory of Maithripala Sirisena in Sri Lanka, India should seize the opportunity to restore the warmth in relations with Sri Lanka.

The US will, of course, continue its proximity to Pakistan in spite of the latter's State sponsorship of terrorism. The US needs Pakistan territory and it readily obliges and at times Pakistan even hands over wanted terrorists to placate the US. This should not perturb India. The Nehruvian non-alignment which was a euphemism for anti US "imperialism" was a historical malignancy that afflicted the relations. The Modi Doctrine aims to rebalance this macabre aspect of NAM. Otherwise Asia may witness China attempting to replicate the erstwhile Russian Plan to carve out a Soviet era sphere of influence.

NITIN G. RAUT, a regular contributor to this journal is an advocate by profession. Email: nitingraut@gmail.com

Global Power Structure in Transition (Cont'd. from page 25)

to millions of poor citizens in spite of the passionate opposition from Congress.

The latest and most welcome departure from the past was his decision to restore diplomatic relations with Cuba. American policy towards Cuba is probably the single most uncontaminated failure in recent history. Antagonism to Castro's Cuba is one of the long lasting "holy cows" of American politics. May be President Obama is not averse to put an end to the legacy of ideological antagonism towards communist China, another "untouchable" of American foreign policy! Such a breakthrough would certainly rank equal to the Nixon era "opening of China" orchestrated by the astute strategist and the then Secretary of State, Dr. Henry Kissinger in the midst of India-China War of 1962!

On the other side, the Chinese President Xi is equally well suited to initiate daring departures from the frozen and unproductive policies inherited from the part. He is in full command and all potential rivals are either eliminated or have "left" the field. He has also succeeded in getting on top of the military establishment. A number of the top commanders of the PLA were sidelined and a

couple of them were even charged with corruption and publicly humiliated, which was intensely resented by the top brass in the armed forces. Furthermore President Xi has long years to go and is known to be a powerful leader. May be, he would also like to go down in his nation's history as a great leader and a statesman!

All in all, we are living in interesting times in world affairs. Equations between and among the major powers of the world – the US, China, Japan, India, Russia and EU – are in for realignments and re-re-alignments till a new and durable global balance of power emerges.

If all this churning is prompted at least partly by India - a global player and also a worthy target, we have reason to be happy, I think! At the same time, we should be astute and strong enough to withstand the turbulence.

DR. RAMESH BABU is a specialist in International Relations, American Politics and Foreign Policy. He is a Visiting Professor at the University of Hyderabad, and Scholar in Residence, Foundation for Democratic Reforms, Hyderabad. Formerly, he was Sir Pherozeshah Mehta Professor of Civics and Politics, University of Mumbai. Email: brameshbabu08@gmail.com

India's Greatest Ironies

In the IAS exam a candidate writes a brilliant 1500 words essay about how dowry is a social evil. He cracks the exam. A year later he demands a dowry of Rs.1 crore because he is an IAS officer.

A country that produces as many engineers as the population of Switzerland every year, is ranked 76th in the Global Innovation Index, whereas Switzerland is ranked first.

Cited in Indiatimes. Contributed by reader R. N. Bhaskar.

Political Transition in Sri Lanka

- Its Impact on the Balance of Power in Asia

B. N. Mehrish

The newly elected Sri Lanka President Sirisena is known for his anti-China stance.

here was a regime change in Sri Lanka. The January 8, 2015 presidential election – one of the most crucial elections in the island's history – in which Rajapaksa's attempt to continue in power for a third term was challenged by the opposition candidate, Maithripala Sirisena. When Rajapaksa amended the Constitution, aiming for a third term, it was a turning point in how Sri Lankans saw him. Interestingly during his 10-year rule Rajapaksa has remained "the darling" of Sri Lankans and enjoyed widespread support. He succeeded in brutally ending the ethnic war which led to the death of Prabhakaran and Tamil Tigers he led.

The newly elected successor to Rajapaksa, Sri Lanka President Sirisena is known for his anti-China stance. David Brewster, a visiting fellow at the Strategic and Defense Studies Center of the Australian National University observed that Mahinda Rajapaksa paid the price for being friendly with China. Sri Lanka's alliance with China during Rajapaksa's autocratic rule prompted fears in India. Rajapaksa allowed Sri Lankan territory to be used for Chinese military activity in the Indian Ocean. In September 2014, President of China, Xi Jinping announced Chinese investments estimated at \$ 4 billion in loans for construction of malls, hotels and marinas. The building projects were largely carried out by Chinese workers. Chinese analysts have denied that China wants Sri Lanka to be a colony. (New York Times)

Tough Job Ahead

Maithripala Sirisena has to face tough issues according to macroeconomic indicators. Overdependence on private and international capital markets, crony capitalism and borrowing to fund public investment by the previous regime have caused a huge external debt, according to Development Economist Dr. Muttukrishna Sarayanathan.

At an East Asian summit in Myanmar China has offered love, loans aplenty to South East Asian countries and expressed its desire to become a partner with ASEAN countries. China has offered ASEAN countries \$20 billion in preferential and special loans to develop infrastructure. China reiterated its resolve to safeguard its sovereignty

and its position that maritime disputes should be settled bilaterally rather than collectively or through arbitration. ASEAN leaders hope to persuade their giant neighbour to take a less bellicose approach to the overlapping claims. ASEAN as a group has been reluctant to antagonize China.

Challenges for India

Prime Minister Narendra Modi has taken several foreign policy initiatives to counter China's competition and rivalry with India's Asian neighbours. Under the leadership of Modi, India has reciprocated high level dialogue with Vietnam crucial for Asia's balance of power, not withstanding China's reservations.

India and Sri Lanka must script a fresh understanding on bilateral ties and on the Tamil issue. With the ouster of Mahinda Rajapaksa, the island nation has got a crucial opportunity to heal the wounds of the past. It is significant that Sirisena's victory was made possible through the support of Tamils and Muslims in addition to a sizeable chunk of the Sinhalese vote. This gives him vital elbow room on the Tamils issue. Creating greater space for Tamils in Sri Lanka's polity will be Sirsena's biggest challenge. As far as India is concerned, Prime Minister Modi should strengthen economic and strategic relations with Sri Lanka to serve as an important pillar of development in the Indian Ocean.

DR. B. N. MEHRISH, former Professor of Politics, University of Mumbai. brijesh.mehrish@gmail.com

Delhi Election Result:

Aam Aadmi Party = 67; BJP = 03; Others = 00.

Now you can see the substance in Obama's recent warning to Modi and BJP, which did not go well with the Hindu brigade. What Obama wanted to say is what our country has now fittingly responded to. Modi and the BJP do not have much time left to make their choice between continuing to govern a democratic and secular India, and hanging on to the coattails of their spiritual gurus - the RSS, VHP and Hindu Mahasabha. The citizens' vision of 'achhe din' will prevail over their version, come what may. India will never become a Hindu Rashtra under the bigots now promoting it

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People to People Contact –

Cant' Resolve the Indo-Pakistan Conflict

Suresh C. Sharma

At the 18th SAARC meet, more than any tangible action, what resonated more was the call by Sri Lanka, Bangladesh and Pakistan to upgrade China from its present observer status to the status of a member.

Nations are characterized by the key elements of their national character. As an illustration, it is the "elementary force and persistence of the Russian, the individual initiative and inventiveness of the American, the common sense of the British and the discipline and the thoroughness of the German. The Hindu is a more complex personality and displays a combination of key traits based on varying power equations...In the case of a most powerful adversary it is patience, passivity, deceit and a persistent attempt to corrupt the powerful to his own outlook. ...most appropriate [though an oversimplification] would be a "presumptuous, persistence and devious Hindu."

- Lt.Col. [later Lt.Gen] Javed Hassan

[A text book for Pakistan Army has been distributed by military book club and reveals the mindset of Pakistan's military officers.]

eople to people contact can be promoted by tourism, trade, military collaboration or joint ventures. Tourism is a far cry for people of both the countries since there are more interesting destinations in Europe, the USA and the Far East. Some people who migrated from one of the countries in 1947 may like to visit their old homes. They however, soon get disillusioned by the present condition of their erstwhile homes and with the reaction of the residents. There is hardly any recognition. Nor would it be a pleasure to refresh the tortures that had been inflicted on them. Illegal trade is already a big business across the border. There is little chance of increase in trade due to India being denied the 'Most Favourable' status. As an example, consider Ambani's project to produce gas in Pakistan and transport it to India by a pipeline. Foreign Minister I. K. Gujral talked about it to Prime Minister Sharif. Foreign Secretary Shamshad Ahmed Khan interrupted Sharif to say that such a project could be considered only after a satisfactory solution of the Kashmir problem. That has been the position taken by Pakistan on every issue. Moreover Pakistan and India would prefer to import capital goods from China or Western countries due to the advantages of quality, political favours and credit. Military collaboration or joint ventures are not possible. Perhaps, contacts can be promoted only by sponsored visits which give a wrong picture to the visitors and hosts due to lack of realism and artificial smiles.

Obstacles in the Path for Better Relations

The first major obstacle is in every Pakistani considering himself to be an heir to the Muslim Empire and a custodian of the wellbeing of Muslims in India. Visitors from Pakistan notice only the poverty amongst the Muslims and forget that there are a large number of poor amongst the Hindus too. A Pakistani Lt. Colonel told a journalist that "to be frank, we are brought up from the cradle to be ready to fight India. On joining the army, the feeling gets multiplied." The madrasas have added to this feeling but even if all the madrasas are closed down, the hostility would not vanish. A large number of terrorists have studied in government schools. They have joined militant organizations due to Islamism amongst the masses, particularly in the lower middle classes. They have widespread support for attacking India. Let us look at what the Pakistani elites say about India. Shah Waliullah advised that Islam could survive in India only if Muslims maintained physical, ideological and emotional distance from Hindus. His sons continued his mission.

Vajpayee went out of his way to visit Lahore in February 1999 to meet Sharif. The road from Amritsar to the border was decorated with flowers and the people expected some positive results. There was no similar public attendance in Pakistan. Instead, there were demonstrations against the visit which had to be put down by the police. A group of religious leaders washed the platform on which Vajpayee stood to purify it since it had been polluted by an "infidel prime minister." The Pakistan media or the intellectuals did not criticize it. Kuldip Nayar led a crowd of about 500 people with candle light vigil but no one came from the Pakistan side.

India, a Punching Bag for Pakistan

In 2008, the Political Officer at the US Consulate was ambushed by the Taliban and saved by a bulletproof

car. Professor Azmat Hyat Khan, Head of the Area Studies Centre at the Peshawar University commented, "Of course, the Americans carried out the attack themselves so as to get an excuse to invade Pakistan." His colleagues approved his murmurs and he added "4000 American mercenaries are fighting in the FATA area. They are the ones carrying out killings and not the Taliban." Recently, there has been considerable feeling against the USA due to attacks on Iraq and Afghanistan. This feeling has not diminished the hostility towards India. Surprisingly, in the various seminars and discussions, generally the civil servants take a more moderate line than the elite liberals.

The Pakistani newspaper Nation reported that the bombing of Marriott Hotel on 20 September 2008 was carried out by RAW. It further said that the Pakistan Intelligence Agency has proof that the truck came from the Indian Embassy. Professor Syed Zahir Shah of Islamia College, Islamabad, said with approving nods from his colleagues that "Pakistan Taliban was created by the big powers – the USA, Israel, Russia and India – to destroy Pakistan. It is not the Pakistanis who are carrying out terror attacks. No Pakistani or Muslim killed Benazir Bhutto. She was killed because she was a strong political leader. India, Israel and foreign forces do not want Pakistan to be stable". When the British journalist pointed out that Taliban had taken the responsibility for the terrorist attack on the Pakistan munitions factory in which more than one hundred citizens had died, he commented "Yes, but they had their reasons. Their women and children had been killed by bombs thrown at the orders of the USA."

Hafiz Saeed and Musharraf lost no time in blaming India for the terrorist attack on the Army School at Peshawar in which 132 children died and a teacher was burnt alive. Musharraf came out with a weird proposition that 16 December was chosen for the attack because it was the anniversary of Indian victory in 1971. He takes the cake for stating openly in an interview to an American journalist on 24 June 2000 that jihad is not a terrorist and violent phenomenon. It is a "tolerant concept" embodying religious, political and social commitment for safeguarding the dignity and safety of Muslims.

Pakistanis have been fed such propaganda against India and they believe that India wants to break up Pakistan, encourage insurgency in Balochistan and establish friendship with Afghanistan to encircle Pakistan. The Durand Line controversy may be revived. The school text books in the NWFP province promote religious intolerance, hatred and jihad. This theory of fear and suspicion prevails amongst the masses. It would be wrong to believe that only the army and politicians subscribe to such views. To promote trade or business, there has to be assurance of safety of life. My nephew, working for a company in

Singapore, was posted to Islamabad. He was allotted a security guard on arrival and warned not to stir out of the hotel without the guard. He was wise enough not to take the family with him. One day, he was shopping in a mall where the Indo-Pakistan cricket match was being shown on a big screen. A Pakistan wicket fell and one of the spectators brought out a gun and fired into the screen. My nephew realized that it was time to quit. We may recall the recent example of the behaviour of Pakistan's hockey team in India. They got away due to the good sense of Indian spectators. The outcome in Pakistan would have been a tragedy.

Pakistan suffered heavy damage due to floods in 2010. The disaster occurred after heavy rains in Baluchistan. The reaction was that the reason for such floods in the River Indus system was deliberate action by India and demand for control of Kashmir intensified. Friendship and understanding between nations has to be built on common interests and shared threats. Take the example of the UK and France. For more than a century they fought at every occasion and place. They became allies to face the common enemy, Germany. The USA fought a terrible war against Germany and Japan. They are new allies to face Russia or China. Can there be a similar situation for India and Pakistan? Pakistan has only 150 cubic metre water storage capacity per individual – far less than India. Both the countries are likely to face water shortage and could be competing for exploiting natural resources. By cooperation which is unlikely, problems could be made easier. We need to identify common threats and common goals and mere contacts will not help. They enjoy Indian movies and we enjoy Urdu poetry and Ghazals, and more recently Pakistani serials on Zindagi channel. The common liking for entertainment should not be mistaken to be cultural exchange and a step towards political reconciliation.

Brig. SURESH C. SHARMA (Retd.) is advisor to the telecom industry, a freelance writer and a member of the *Freedom First* advisory board. Email: sureshsharma236@yahoo.com

Campaign Financing

At the root of campaign financing in all democracies lies a trade-off: any large contributor – company or an individual – will make a contribution in the hope of exchanging favours for the money given to a party. From the perspective of civic ethics, this is usually viewed as a bad trade-off. If a company or an individual wants a favour, then it is conceivable that the favour may be illegal or dubious at a minimum. If within the bounds of law, it may simply be an effort to speed up what is rightfully due to the contributor. More darkly, laws may be changed or bent to the will of the contributor. Most democracies struggle to cope with this problem and many times, the obvious solution is not really a solution.

Read more at: http://www.livemint.com/Opinion/BXsUpDhEy1tH9Q5gN70YBK/The curse-of-campaign-finance-in-democracies.html?ref=newsletter&utm_source=copy

Will Merkel and Hollande Succeed in De-escalating Conflict in Ukraine?

R. G. Gidadhubli

Not content with Poroshenko's offer of political and economic incentives to 'separatists' demanding'self-rule', Putin seems to be bent on ensuring that pro-Russians in Eastern Ukraine are free to run their own affairs with a minimum of control from Kiev.

n 11th February 2015 German Chancellor Angela Merkel and French President Francois Hollande held a Summit meeting in Minsk with the Russian president Vladimir Putin and Ukrainian president Peter Poroshenko to de-escalate the conflict in Ukraine. Prior to that the two had met Putin in the Kremlin on 6th February which was followed by Merkel's meeting with the US president Barack Obama on the 9th February in the White House with regard to the year-old Ukrainian conflict. Questions arise as to what necessitated these high level emergency meetings and whether they have succeeded in their efforts to solve the problem?

Necessity for Emergency Meetings

There are several reasons as to what necessitated these meetings. Firstly, conflict in eastern Ukraine has intensified between pro-Russian rebellions ('Separatists') and the Ukrainian Army. According to analysts, the rebels become more aggressive and are now in control of several towns including Mariopol, Donetsk, Debaltseve, Luhansk, Horlivka. More than 5,500 people have been killed and 15,000 injured according to UN estimates, though the actual number could be more.

Secondly, the Minsk agreement of September 2014 to contain violence and bring about peaceful settlement of conflict by all concerned has been violated repeatedly as contended by many analysts by both the sides.

Thirdly, separatists have expanded their control over the 'Buffer Zone' which might become a part of the region under their control. Two provinces of Ukraine are now under their control. As opined by some western analysts the separatists have seized control of hundreds of square kilometers of land since the September deal and have made gains in January 2015. Accordin to NATO Secretary-General Jens Stoltenberg the Separatistss have moved well beyond the original contact line and that they have also received substantially increased supplies of weapons in recent weeks".

Fourthly, there are accusations and counter

accusations between Russia and Ukraine over the issues relating to the conflict in Ukraine. While the Ukrainian government has accused Russia of supplying defense equipments and even sending soldiers as 'volunteers', Russia is in a denial mode and is insisting that it is an internal problem of Ukraine. This is far from convincing. Ukrainian president Poroshenko, apart from alleging external support for the shooting down of the Malaysian airplane a few months back, has shown Red passports and military IDs of captured or killed Russian soldiers as evidence of Russian involvement in aggravating conflict in eastern part of the country. "This is the best evidence for the aggression and for the presence of Russian troops," he said.

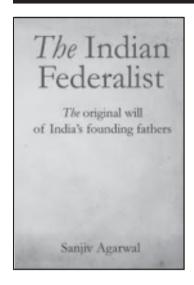
Pro-Russian Vs. Pro-West

Ukraine is caught up in the East-West conflict. Russia's Putin is keen that Ukraine which is close to Russia be part of Russia's Eurasian Economic Union formed in 1st January 2015. Under a radically different scenario Putin insists that he will not tolerate any ultimatums from NATO and America. Not content with Poroshenko's offer of political and economic incentives to Separatists demanding 'self-rule', Putin seems to be bent on ensuring that pro-Russians are free to run their own affairs with a minimum of control from Kyiv (Kiev). Alternatively Russia wants a 'virtual division' and not autonomy for the eastern Ukrainian region, so that it can be closer to Russia politically and economically, in conformity with Putin's vision of a 'Novo Russia'.

The Ukrainian president Poroshenko has moved closer to the West and has signed an agreement to be part of the and has asked the USA and Western powers for defense equipments to strengthen defense capability of his country so that it has a convincing "diplomatic voice." At the same time he has declared himself as president of peace and not war. A qualitative change might be expected if Poroshenko declares Martial Law as he has

Cont'd. on page 32

BOOK REVIEW



THE INDIAN FEDERALIST – THE ORIGINAL WILL OF INDIA'S FOUNDING FATHERS by Sanjiv Agarwal • Notion Press, Chennai, 5 Muthu Kalathy Street, Triplicane, Chennai 600005 • 2014 • pp.259 • Rs.425

Reviewed by Sankar Ramamurthy, a business executive. He can be contacted at Sankar.ramamurthy@gmail.com.

Sanjiv Agarwal, an entrepreneur, inventor, founder of Good Governance India Foundation, and a "citizen-pamphleteer", seeks to show through a reading of the debates of the

Constituent Assembly, that the forty-second and forty-fourth amendments to our Constitution are against the spirit and intent of the Constitution's founding fathers. While the former, authored by the Congress in 1976 added the words "socialist and secular" to the Preamble to our Constitution, it was the latter brought about by the Janata Government in 1978 which did away with property as a fundamental right by repealing Article 19(1)(f) ("all citizens shall have the right to acquire, hold and dispose of property") and Article 31 (which had provided for fair compensation in the event of the property's compulsory acquisition).

Arguably, the word "socialist" is elastic in its meaning and interpretation (there are socialists and socialists) and we need not fear that a doctrinaire, rigid interpretation is the only one possible. At any rate, it did not prevent the introduction in 1991 of economic reforms which were anything but socialist nor reforms of a similar nature carried out since. However, this may only be because the constitutionality of such reform measures has not been tested in a court of law. Importantly, the forty-second amendment encourages and indeed demands intellectual dishonesty and deception, as any political party wishing to enter electoral politics must swear allegiance to the socialist character of the Constitution, whether or not it subscribes to it.

In the debate in the Constituent Assembly on whether or not to characterise the fledgling republic as 'socialist', Nehru, of socialist leaning himself, chose not to insist on such a characterisation, saying "....if, in

accordance with my own desire, I had put in that we want a Socialist State, we would have put in something which.....may not be agreeable to some and we wanted this Resolution not to be controversial in such matters". Even more to the point was Ambedkar: "what should be the policy of the State, how the society should be organised in its social and economic side are matters which must be decided by the people themselves according to time and circumstances. It cannot be laid down in the Constitution itself, because that is destroying democracy altogether". The sense of the Assembly was that the Preamble ought not to include the word "socialist". Yet in 1976, the Congress government led by Indira Gandhi had no qualms in bringing about the forty-second amendment.

The right to property and to fair compensation in the event of the property's compulsory acquisition were both hotly debated in the Constituent Assembly. The discussion was informed and influenced by the abolition of the zamindari, to which most members were committed. Even so, many voices resolutely defended the right to property as a fundamental right. For example, Naziruddin Ahmad noted that "If we do not respect private property all talk of fundamental or constitutional rights will come to naught" and "...if we can confiscate zamindari property without sufficient compensation, we would also confiscate any business concern..." K.T.M Ahmed Ibrahim wanted fair and equitable compensation at market value to be paid for property acquisition by government and pointed out that nowhere is compensation awarded at the pleasure of the executive.

Syamanandan Sahaya pointed out the vital role that private property plays in incentivising people. In an impassioned address, he pointed out that the Congress manifesto of the day had declared that "the rights of the intermediaries should be acquired on payment of equitable compensation", which position, he went on to add, had been emphatically reiterated by Prime Minister Nehru, not once but twice. Jagannath Baksh Singh rejected inadequate

financial capacity of the State as reason for not paying or paying inadequate compensation. He noted that the "fundamental right to property.... is deemed sacred and guaranteed by almost every important constitution in the world". Many members opposed Nehru's views that the community is to be privileged over the individual and that the "legislature must be supreme and must not be interfered with by the courts of law in such measures of social reform". Yet, despite these voices of reason, Article 31, as it finally emerged, failed to qualify "compensation" with "fair" or "just" or "equitable".

As for the power to amend the Constitution, Ambedkar noted that "....the purpose of a Constitution is not merely to create the organs of State but to limit their authority". In a masterly survey of the major Constitutions of the world, he pointed out how most of them required a majority vote in a referendum of the people for any constitutional amendment to take effect.

Mr. Agarwal has been waging a legal battle to have the two amendments struck down. As pointed out, the forty-second is irksome for those who wish to offer an alternative political platform (say on "Swatantra" lines) in as much as it requires political parties to swear by socialism. As for the forty-fourth, the expansive reading given to "eminent domain" has come to mean that land can be acquired by government for just about any purpose, including for having it transferred to private business interests. In the absence of constitutional protection, it is the small landowner, the poor farmer and the tribal who suffer, especially when his land is taken away and used

to build not schools, hospitals, roads or dams, which serve a public purpose, but shopping malls and factories run by businessmen or corporations. Such expropriation should be anathema to a liberal who believes in the sanctity of private treaty and abhors the heavy hand of government. As land taken away is more often than not agricultural and its future use industrial, there is the additional danger of the government privileging one sector over another.

In his petition, Mr. Agarwal has pointed to the absurdity of changing the Preamble retrospectively and has cited the Privy Council's observations in Bhola Prasad vs Emperor, AIR 1942 FC 17: "A legislature can always enact that the law is, and shall be deemed to have always been, such and such; but that is a wholly different thing from imputing to dead and gone legislators a particular intention..."

The author's legal challenges have been unsuccessful so far. They were premised on the proposition that the said amendments violated the basic structure of the Constitution (*a la* Kesavananda and I. R. Coelho) and were therefore unconstitutional. The Supreme Court opined that the plea to strike down the forty-second amendment was "academic" although "important", and left the question to be decided in the future, presumably because the challenge did not arise from a concrete set of circumstances. On the forty-fourth, it feared that striking it down would undo a raft of judicial verdicts and settled law relating to property rights. But Mr. Agarwal is nothing if not dogged. All liberals must support him in his fight to have the pernicious amendments rolled back.

Will Merkel and Hollande Succeed in De-escalating Conflict in Ukraine? (Cont'd. from page 30)

threatened to if the situation does not improve. He has become confident that American President Barack Obama has promised to supply sophisticated defense equipments to Ukraine to defeat the 'Separatists' and a calling Russia a 'Regional Bully' for its policy of aggression and coercion and a threat to international stability. Moreover, NATO on 5th February agreed to immediately set up six command posts in Eastern Europe and establish a spearhead force of 5,000 troops in response to Russian aggression in Ukraine.

Merkel has been making strenuous diplomatic efforts to prevent the worst case scenario of a breakup of Ukraine and therefore wants to avoid a military solution. She has rightly advised hardliners in the USA and the EU to withhold additional political and economic sanctions on

Russia and supplying arms to Ukraine hoping that the Summit in Minsk on 11th Feb might bring about some positive solution to the conflict. At the same time Merkel has been candid in stating that Putin should take substantial steps forward to implement the cease-fire deal signed in September 2014 in Minsk and cautioned against persisting violence in eastern Ukraine even as talks were held on 11th February. Hollande has frankly stated that the Franco-German initiative was "one of the last chances" for peace. As this article goes to press, there is a glimmer of hope that Russia might soften its stand even if there is no likelihood of a total de-escalation of conflict.

Dr R. G. GIDADHUBLI, professor and former Director, Center For Central Eurasian Studies, University of Mumbai.

Educating Adults

'Nehruvian Ideology and the Indian Celluloid'

Report on a Film Festival in a Mumbai College by Mithilaa Naik-Satam

The Filmfest was to commemorate the 125th Birth Anniversary of Jawaharlal Nehru

The Departments of Politics and History of the SIES College of Arts Science and Commerce a leading institution in Mumbai organised a successful film festival on 'Nehruvian Ideology and the Indian Celluloid' on 23 and 24 January 2015 to commemorate the 125th birth anniversary of India's first Prime Minister, Pandit Jawaharlal Nehru. The festival was received with great enthusiasm by students and professors from other leading City Colleges like as Ruia, Mithibai, Vaze, Sathaye, Khalsa, and Kirti Colleges.

The Film Festival's aim was to highlight the Nehruvian era and his vision as for India during a significant period of Indian history. The movies screened during the festival – Awara, Naya Daur, Mother India, Pyaasa, Namak Haraam, Do Bigha Zamin, Manthan and Chak De India – reflected diverse aspects of Pandit Nehru's ideology and the paradigm shift that took place in after freedom.

Many mainstream filmmakers in the early years after India's independence were impacted by the optimism of Nehru. Raj Kapoor's 'Awara' and B. R. Chopra's 'Naya Daur' were critical of the present but were extremely optimistic of the future.

Pyaasa, a critique, shows the souring of the Nehruvian dream. It casts aspersions on the hopes and dreams that Nehru wanted. Guru Dutt attempted to express the industrialising society's degenerative impact on the people and in this particular case, on free thinkers and artists.

Chak De! India' showcases the spirit and power of unity. It echoes the problems Nehru and Sardar Patel

faced in integrating and unifying the country and shows how differences can be overcome through effective leadership which in turn will facilitate success.

The Festival was inaugurated by the well-known screenwriter Anjum Rajabali. He said "Nehru was instrumental in the establishment of the Films Division in the I & B Ministry and the International Film Festival after Independence. The first generation of film makers and actors, just like the rest of the country, were inspired by Nehru. They were filled with hope and optimism and made films which reflected the same."

Dr. Rashmi Bhure, Associate Professor, Department of Politics, Convenor of the Festival said, "After the horrific experience of partition and the socio-economic milieu of India in the post-independence period there was a possibility of internal turmoil. Nehru's idealism, his idea of India and faith in democratic values created an era of hope that was then needed for a young free India. The fundamentals laid by Nehru helped India in gradually emerging as a developing nation and this is apparent in the Indian cinema of the 1950's and 60's. We have attempted to unveil this significant period of Indian history and Nehru's ideology to the present generation through this Film Festival."

Nehru substituted the ideal of socialist society with the term socialist pattern of society which was described as a mixed economy with space for both the private and public sectors. He wanted India to be self-reliant, not just self-sufficient.

After the screenings on the second day, two panel discussions were held on 'Nehruvian Socialism and its



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Impact on Indian Cinema' and 'Relevance of Nehruvian Ideology Today'. Medha Dhapre, Assistant Professor, Kirti College and Dr. Santhosh Pathare, General Secretary of Prabhat Chitra Mandal, adjudged the event.

Dr. Vanita Banjan, Assistant Professor, Department of Politics, SIES College Convenor, in her concluding remarks said: "The idea of development as understood by Nehru involved development at the lowest rung. This idea is relevant even today: The citizenry need not wait for the government to take action, if their own initiative can bring about more growth and development."

REPORT BY MITHILAA NAIK-SATAM, (Organiser of the Festival and student First Year BA (Political Science), SIES College of Arts and Science, Mumbai.

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"So far the works of nine individuals and six periodicals have been included. We know that there are many more works available out there. We will continue to digitise and make them available here.

"Many individuals and organisations, old and new, have helped us in collecting these materials. We have acknowledged some of them on our Acknowledgement page. We would like to thank them from the bottom of our heart. We would also like to take this opportunity to thank individuals and organisations who helped us financially in this resource intensive project.

"Although the project was envisaged as early as 2009, we started to work on it only in late 2013. After about 15 months of work, we are ready with the first cut of what we want to achieve eventually – a repository of all Indian liberal works. For this dream to realise, we would need all the help we could get. Given that we would like to include Indian regional language materials, it's imperative that there is a two way communication.

"We therefore encourage you to write to us at (editor@indianliberals.in) with any suggestions of India liberal materials you may have come across".

A Worthwhile venture, we recommend our readers visiting IndianLiberals.in -Editor, Freedom First.

NOT JUST AN ACCOUNTANT

I recently finished reading Not Just An Accountant by Vinod Rai, former CAG.

An objective reading of Rai's carefully written work, one comes to the conclusion that the both the governments of UPA I and UPA II headed by by Dr. Manmohan Singh were rogue governments. In the name of Coalition Dharma, the coalition partners of the governments were allowed such a free hand that they treated the ministries as their personal fiefdoms, including the vast assets and resources under their control causing such great damage to the country's economy and its cherished values. The Prime Minister behaved like a nominal PM during his two tenures, while the executive powers were exercised from elsewhere. In fact he was a nominated PM by his party and not an elected one. Probably he was the only PM the country has seen who never faced an electorate successfully and was from Rajya Sabha.

While Rai has dealt about five areas in his work that have come into the public domain, there might be several such episodes of other ministries that have not seen the light of the day and remain in the now forgotten CAG Reports submitted to Parliament and collecting dust over the years.

Not Just an Accountant: The Diary of the Nation's Conscience Keeper by Vinod Rai, former comptroller and auditor general; published by: Rupa; pages 288; Rs. 399

V. Krishna Moorthy, moorthy_vk@rediffmail.com

Educating Adults

Sona Ki Chidiya Federation

Email: info@sonekichidiya.in

http://sonekidiya.in



January 26, 2015

Dear Friend

It is my privilege to forward to you the first edition of the Sone Ki Chidiya total reform agenda for your consideration.

The agenda has been prepared by the Sone Ki Chidiya Federation, a Trust in Delhi, formed in 2013 to promote liberal values in public life. It emphasizes freedom comes first, but with accountability. Our government must be small but strong. We should have low taxation, free enterprise (state owned enterprises should be largely privatised), and corruption should be eliminated.

The agenda is recommended for adoption by any Indian political party, fully or in part. We note, though, that there is a crying need for a liberal-conservative political party, to fill the vacuum created after the dissolution, in the early 1970s, of the erstwhile Swatantra Party, founded by C. Rajagopalachari (Rajaji) and Minoo Masani. Some of our members are (separately) supportive of ongoing efforts to develop such a party.

You may prefer to first read the Executive Summary on pages 1 and 2, and the remaining at your leisure.

The second edition of the agenda will be published next year. Any suggestions for addition/alteration are welcome and should be sent to Sanjeev Sabhlok at sabhlok@gmail.com.

We seek your in-principle endorsement of the agenda and any public comment you may wish to make in support of this approach. Your endorsement can be made either through an email to info@sonekichidiya.in or at our website.

In addition, any donation, small or large, is welcome to keep this effort going. No tax exemption is available at the moment, but we commit to publishing our audited accounts on our website. Bank remittance details are given below:

Account Name: Sone Ki Chidiya Federation

Bank: ICICI Bank

Branch: Laxmi Nagar, New Delhi RTGS/NEFT IFSC Code ICIC0000831

Account No. 083105000859

With warm regards,

Yours sincerely,

Supratim Basu,

Senior member, Mumbai, Sone Ki Chidiya Federation Email: xsupratim@gmail.com. Phone: +91 9702898585

Sone Ki Chidiya Federation Email: info@sonekichidiya.in http://sonekichidiya.in/

Sone Ki Chidiya's Total Reform Agenda

An Executive Summary

pon becoming independent, India started with a reasonably good Constitution based on the prin ciples of classical liberalism: liberty and strong property rights. But the promise of a free India was short-lived. We were soon to experience decades of growth in the size of the government machinery and intervention by government in the ordinary lives of citizens.

Big government (both incompetent and corrupt) destroyed enterprise and significantly curbed liberty of thought and expression in India. India now ranks poorly on international comparisons of liberty and prosperity. With some economic liberalization in the 1990s, one form of illiberalism (statism) did recede, leading to spectacular improvements in many aspects of life. However, other forms of illiberalism, such as religious bigotry, seem to have since strengthened, along with intense crony capitalism. Our democracy has seriously decayed, with the corrupt and criminal fast-tracked into Parliament, even as good people mostly choose to stay away.

There is an exodus of the best and brightest Indians to lands which offer liberty and opportunity. By all benchmarks, India is *independent* but is definitely not *free*.

$\label{eq:Anderson} \textbf{A fundamental overhaul of our governance system} \\ \textbf{and policies}$

We need to leash the government and unleash the people. This requires a complete overhaul of our governance systems and policies.

This agenda, underpinned by the philosophy of liberty, proposes reforms to ensure that only honest politicians are motivated to join the political system, and that our bureaucracy is accountable and competent. It also proposes a suite of economic reforms and world-class regulatory models and frameworks to enhance liberty and accountability. These reforms involve an overriding emphasis on individuals over institutions, with a government that acts in the general public interest rather than particular vested interests, a government that is less costly but more effective, small but strong, less intrusive and which ensures the rule of law and equal treatment for all.

Key reforms detailed in this manifesto include:

- 1. A new machinery of government and world-best governance frameworks. This involves:
 - a) State funding of elections on per-vote basis, fast-track courts to dispose all cases involving elected representatives within one year, and high salaries (but no perquisites or pensions) for politicians to ensure good and competent people enter politics, and the criminals and the corrupt stay away.
 - b) Consolidation of Central Governments departments into no more than ten, contractual appointment of each secretary (selected from the global open marketexcept where national security is involved), with all further senior appointments made by the secretaries or their delegates on contractual basis without any right to natural justice upon dismissal. Replacement of the IAS and all other tenured services by contractual, accountable executives at senior levels of government, with (at the earliest opportunity) repeal of the Constitutional provision for all-India services and special protections for public servants.
 - c) Strong and independent tier of local government, with the power to employ CEOs on contractual basis to deliver high quality local services and infrastructure.
 - d) Implementation of world-best policy and regulatory frameworks (including regulatory impact statements, cost-benefit analyses that are independently assessed; and policies to maximize competition and ensure competitive neutrality). In general, a government should provide almost no services directly, including utilities and education, but enable the people also known as the private sector to do so, subject to appropriate (including incentive) regulation.
 - Elimination of corruption within three years through a radically improved governance and accountability system, including a radically restructured real estate system.

- 2. A focus mainly on first order functions, being the essential functions of the government:
 - a) Urgent establishment of law and order and the rule of law, including security for everyone (particularly women) and quick and effective justice for all. This would include freedom of speech at the level assured by the First Amendment of the American constitution to its people, and religious freedom: with the state and religion kept entirely separate.
 - b) Reducing taxation, broadening the tax base, and significantly increasing tax compliance to end black money. Along with pruning unnecessary functions, this would bring down inflation and achieve triple-A rating for any remaining government debt.
 - c) Economic reforms, including removal of unnecessary restrictions on production and trade, to enhance productivity and create opportunities for entrepreneurs, thus creating a vast number of jobs. This will include facilitating deeper engagement with Asia and delivering more growth from Asia. For farmers, these reforms will involve untrammeledfreedom of access to markets and technology while (incrementally) eliminating the minimum support price (MSP) and suspending

agricultural loans during a transition period.

- 3. Performing second order functions only after the first order functions have been performed well:
 - a) Procuring or motivating the creation of high quality infrastructure, including in the areas of transport, power, water, sanitation and broadband.
 Our focus will be on ensuring world-class 21st century infrastructureto facilitate commerce, reduce congestion and increase productivity.
 - b) Reasonable equality of opportunity for all, including access to high quality school education for the children of the poor (through privatization of the entire school system, and targeted vouchers for the poor), health cover for the poor, and total elimination of extreme poverty in three years through targeted negative income tax.

Our plan will deliver freedom and (therefore) jobs andmuch higher real wages for all Indians. It is reasonable to project India as a \$50 trillion economy (in current US dollars) by 2050, should the reforms outlined in this manifesto be implemented in their entirety.

For the full (and latest) copy of the agenda please visit http://sonekichidiya.in/

Summit on Countering Violent Extremism

Thomas L. Friedman

I've never been a fan of global conferences to solve problems, but when I read that the Obama administration is organizing a Summit on Countering Violent Extremism for February 18, in response to the Paris killings, I had a visceral reaction: Is there a box on my tax returns that I can check so my tax dollars won't go to pay for this?

When you don't call things by their real name, you always get into trouble. And this administration, so fearful of being accused of Islamophobia, is refusing to make any link to radical Islam from the recent explosions of violence against civilians (most of them Muslims) by Boko Haram in Nigeria, by the Taliban in Pakistan, by Al Qaeda in Paris and by jihadists in Yemen and Iraq. We've entered the theater of the absurd.

Last week the conservative columnist Rich Lowry wrote an essay in *Politico Magazine* that contained quotes from White House spokesman Josh Earnest that I could not believe. I was sure they were made up. But I checked the transcript: 100 percent correct.

I can't say it better than Lowry did: "The administration has lapsed into unselfconscious ridiculousness. Asked why the administration won't say [after the Paris attacks] we are at war with radical Islam, Earnest explained the administration's first concern is accuracy. We want to describe exactly what happened. These are individuals who carried out an act of terrorism, and they later tried to justify that act of terrorism by invoking the religion of Islam and their own deviant view of it."

This makes it sound as if the Charlie Hebdo terrorists set out to commit a random act of violent extremism and only subsequently, when they realized that they needed some justification, did they reach for Islam...

President Obama knows better. I am all for restraint on the issue, and would never hold every Muslim accountable for the acts of a few. But it is not good for us or the Muslim world to pretend that this spreading jihadist violence isn't coming out of their faith community...

Excerpted from the New York Times, January 21, 2015

Sone Ki Chidya Total Reform Agenda

How India can become a beacon of liberty and land of opportunity



Blueprint for a New India नये भारत के निर्माण का नक्शा

पूर्ण व्यवस्था परिवर्तन, पूर्ण स्वराज

जहाँ डाल-डाल पर सोने की चिड़ियाँ करती हैं बसेरा

(We invite Indian political parties to adopt the reforms outlined in this manifesto)



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