

Freedom First

The Liberal Position



We, the people of India,

having solemnly resolved to constitute India into a sovereign,
democratic republic and to secure to all its citizens:

Justice - social, economic and political

Liberty of thought, expression, belief, faith and worship

Equality of status and of opportunity

and to promote among them all

Fraternity assuring the dignity of the individual

And the unity and integrity of the nation

From the Birth of a Nation to a Nation in Crisis

500 issues distilled into one

The next issue will be our 500th.

We are distilling articles spanning 56 years of our existence into one collectors edition. From the euphoria of a new Nation and the depths of despair during the Emergency to the current crisis, this issue will carry 40 articles penned specially for Freedom First by distinguished personalities such as *Jayaprakash Narayan, Minoo Masani, Philip Spratt, J.B.H. Wadia, Nissim Ezekiel, V.B. Karnik, K.F. Rustamji, S.P. Sathe, Gangadhar Gadgil, Usha Mehta, H.M. Seervai and Soli Sorabjee*. Many of these eminent people are no more with us.

We invite you to advertise in this special, once in a lifetime issue that will be seen by members of Parliament, politicians, academicians and professionals, especially in the corporate world, apart from our subscribers.

Freedom First looks to you for support in continuing our mission in enabling a freer and more liberal society.

To advertise, contact *The Editor* at

Tel/Mob: 022-22843416 / 022-66396366 / +91-9820016392

E Mail: freedom@vsnl.com or jurasv@gmail.com. Or write to Freedom First, 3rd Floor, Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai 400 001. India

Rates: Inside Covers: Rs.20,000, Full page (b/w) Rs.10,000

Freedom First

Freedom First

A Liberal Monthly – 56th Year of Publication
No.499 January 2009

Contents

<i>Many Voices</i>	2
<i>Of Cabbages and Kings</i>	3
India 2009 : Time for Citizens to get active in Politics Jagdeep S. Chhokar	5
The Value of the Protest Vote A. K. Venkat Subramanian	8
India Under Attack Ashok Karnik	10
India – A Soft State V. Balachandran	13
War On Mumbai R. C. A. Godbole	15
Ending Terrorism Vivek Raju	17
<i>Cornucopia</i> Firoze Hirjikaka	21
The World Economic Crisis - An Interpretation Sharad Bailur	25
<i>Point Counter Point</i> Ashok Karnik	29
Building a Monetary and Financial System for a Free Society Sanjeev Sabhlok	31
Of Wars and Warriors Furdoon S. B. Mehta	33
The Tibetan Resolution Tenzin Tsundue	35
<i>Book Reviews</i>	41

Between Ourselves...

SEASONS GREETINGS AND A HAPPY NEW YEAR TO ALL OUR READERS

When we informed you that the January 2009 issue would be on the elections to parliament later this year, the invasion of Mumbai by Islamist terrorists was ten days away. We decided to adhere to our planned subject - the forthcoming elections to the Lok Sabha. The two are connected in a manner of speaking. The strike was against our democracy and we need to underline the fact that far from weakening our democracy such acts of terrorism will only reinforce our determination to continue to be the world's largest democracy. We are our neighbours' envy and our citizens' pride.

The two articles by Prof. Jagdeep Chhokar and Mr. Venkat Subramanian therefore take pride of place and deal with the dilemmas of the Indian voter and provide some guidelines. Alongside there are also articles on the Islamic terrorists' rampage and their unsuccessful attempt to destroy the Mumbaikars' morale and create communal disharmony.

As we go to press comes the welcome news of the successful passage of Bills in the Lok Sabha creating the National Investigation Agency (NIA) and the Unlawful Activities (Prevention) Amendment (UAPA) Bill. Will this erase the image of India as a "Soft State" and project the Indian State as a determined one? We shall deal with this in the April 2009 number.

Meanwhile the contributing editors of the 500th issue (February 2009) are in the final stages of selecting articles between June 1952 and November 2008. It will truly be a collector's item, documenting men, matters and memories over the last 56 years. Please refer to the inside front cover page for details. In particular any financial assistance you can give either by way of a donation or through advertising support will be much appreciated.

Editor

Founder: Minoo Masani ● **Editor:** S. V. Raju ● **Associate Editor:** R. Srinivasan ● **Advisory Board:** Sharad Bailur, R. V. Chari, Firoze Hirjikaka, Ashok Karnik, Farrokh Mehta, Nitin Raut, Brig. (Retd.) S. C. Sharma, Kunwar Sinha, Sameer Wagle
Publishers: Indian Committee for Cultural Freedom (ICCF), 3rd Floor, Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai 400 001.
Phone: +91 (22) 2284 34 16 ● E-mail: freedom@vsnl.com
Published by J. R. Patel for the Indian Committee for Cultural Freedom (ICCF) and printed by him at Kaiser-E-Hind Private Ltd., Plot No.A-191, Road No.16A, MIDC, Wagle Industrial Estate, Thane (W) - 400 604. Phone: 25804162
Typeset at **Shubham Print & Web** 59, Dr. V. B. Gandhi Marg, 1st Floor, Fort, Mumbai 400 001. Phone: 2284 2619 ● Mobile: 98929 21277
Single Copy: Rs.10 ● Annual: Rs.150 (Add Rs.50 for outstation cheques) ● Overseas (Ind Class Air Mail) Annual: \$20 or £10
Cheques to be drawn in favour of **ICCF** and mailed to the publishers at the above address.

MANY VOICES

***"The deep moans round with many voices. Come, my friends
'Tis not too late to seek a newer world" - Tennyson***

The reality is that most of us exhibit the same qualities that we are accusing our politicians of. When we ourselves are so imperfect, how can we expect our politicians to be perfect?

G. V. L. Narasimha Rao in his column
'Bottom Line', *mint* December 8

Even if the militants are linked to Lashkar-e-Toiba, who do you think we are fighting?

Pakistan President Asif Ali Zardari,
The Indian Express, December 2

Car dealerships with in-house pujaris! What a fancy idea, I thought, and how typical of Hinduism to cash in on this new opportunity to adapt to and thrive in these times of globalisation.

Philosopher of Science Meera Nanda,
Economic and Political Weekly, October 18-24

During a recent visit to Kolkata, I heard a wag commenting: "The CPI(M) was founded in 1964, and is dumbfounded in 2008". When political party becomes the butt of popular jokes that should be a warning.

Author Sumanta Banerjee,
Economic and Political Weekly, October 18-24

The cynic will say it took eight years of George W Bush to ensure that Americans would vote their first non-white President to office.

Editorial in *The Statesman*, November 6

If there is anything worse than a nuclear armed North Korea ruled by Kim Jong II, It is a nuclear-armed North Korea ruled by no one.

Comment in the column 'The Week...'
National Review, September 29

Political correctness in politics is similar to good manners and etiquette in a polite society. Both involve hypocrisy.

Former Chief Vigilance Commissioner N. Vittal,
Mumbai Mirror, September 8

You have personally demonstrated integrity, but what use is that alone, when almost every key minister in your cabinet is treating every file as an

opportunity for cash flows.

Athreya in "An Open letter to the PM",
mint December 10

Nothing rankles Islamist revivalists more than the fact that in living memory the forces of fanatical Islam have lost to secular Hindu-majority India (1971) and democratic Jewish Israel (1967, 1973).

Jaithirth Rao, *The Indian Express*, December 1

How intricately the history of the Zoroastrian community is intertwined with that of Bombay became apparent when four of the six major terrorist targets this November had Parsi/Irani origins.

Editorial in the fortnightly *Parsiana*, December 7

Sustained prosperity has a vital prerequisite – a stable society with justice for all.

Rajni Bakshi, *mint* October 23

I believe there is no such thing as conversion from one faith to another in the accepted sense of the term...Christian missions will render true service to India if they can persuade themselves to confine their activities to humanitarian service without the ulterior motive of converting India or at least her unsophisticated villagers to Christianity and destroying their social superstructure

Mahatma Gandhi, *Harijan*, September 28 1935 (cited by Balbir Punj MP, *Outlook*, November 24)

India is steeped in a pluralistic ethos and believes God is one, irrespective of his numerous names and shapes. The Church has faith only in "one God", the rest, to it, are false. Wouldn't it be better if the Church heeded Gandhiji's words and left people to their faith.

Rajya Sabha member Balbir K. Punj,
Outlook, November 24

No lawyer has the right to say that he will not defend an accused...That is something that should never worry a lawyer. No lawyer should even talk about this kind of a thing.

Eminent Lawyer Ram Jethmalani,
Mumbai Mirror, December 15

OF CABBAGES AND KINGS

Who Needs Terrorists when we can produce Instant Ones!

As I begin writing this column comes the news that Mumbai's motormen, that is the drivers of the city's local trains catering to the Western suburbs (the Western Railways) went on a flash strike for pay and better working conditions and that this happened at around 9 p.m. when thousands office goers were returning home from work. This by itself would not have merited attention at least of this column (because we Mumbaikars are so used to this) but it was quickly followed up by another despatch – an 'exclusive' from the Press Trust of India with the 'good' news that the motormen called off the strike after 11p.m. And, during this two-hour period "angry commuters vented their ire" pulling down metal detectors and smashing the window panes of booking offices at "some railway stations like Churchgate, Marine Lines and Andheri." The reasons why the motormen went on strike are not important for this narration or going into the details of how the stranded office goers made their way home. What is the wanton destruction of public property, really the people's property. Invariably anti social elements among the commuters enjoy this kind of activity and there are hundreds if not thousands roaming the streets of Mumbai for such opportunities. Incidentally where was the Railway Police when 'commuters' ran amok?

*

Of Rogues and Rogue Nations

Talking of "anti-social elements" a euphemism for rogues and rascals, one finds them at all levels, including politics and public life, perhaps particularly in politics and public life, including heads of state. Two names come to mind – Robert Mugabe and Kim Jung II the ruler of North Korea. We blame commuters if they do nothing while anti-social elements go about committing mayhem. What about nations or that toothless body called the United Nations looking on helplessly. Having destroyed the economy, now Mugabe is intent on destroying his people simply by doing nothing to contain the Cholera epidemic that is ravaging Zimbabwe and which is being exported to the neighbouring nations surrounding Zimbabwe. What can we do beyond passing resolutions wails the United Nations. In an increasingly globalised world such an attitude is unacceptable. There is need for a new paradigm prescribing the limits of nationalism and the nation state especially when epidemics turn pandemic. And we have the spectacle of comrade Kim playing with his nuclear toys while the people of North Korea die of



malnutrition and starvation. And he couldn't care less while the world watches helplessly.

*

Medical Insurance for Senior Citizens

COMMON CAUSE is one of those organisations that gives meaning and substance to Indian democracy. I am proud to be its member and recommend readers to become its members too. Write to them at Common Cause House, 5, Institutional Area, Nelson Mandela Road, Vasant Kunj, New Delhi 110070.

The July-September 2008 issue of *Common Cause* informs us of a Supreme Court judgement that "provides some relief to senior citizens who are often refused renewal of their mediclaim policies by insurance companies, whether in the private sector or in the public sector on the ground that they require frequent hospitalisation, leading to higher reimbursement claims."

In May 2008 a two-judge bench of the Supreme Court directed public sector insurance companies to "desist from the practice of demanding hefty increases in the medical insurance premium of senior citizens at the time of the renewal of the policies and excluding insurance cover for specific ailments necessitating hospitalisation in the past. The Supreme Court did not accept the contention of the Solicitor General that the responsibility cast on public sector insurance companies would give an undue competitive advantage to private sector insurance companies. While agreeing with the Solicitor General, the Court pointed out that public sector undertakings had to share the social commitment objectives espoused by the government. The Court directed the Insurance Regulatory and Development Authority to prescribe clear guidelines to all insurance companies.

SVR

From Our Readers

Sarvadharm Samabhava is not secularism

Mr. M. D. Kini says that *Sarvadharm Samabhava* is called secularism (*Freedom First* October 2008). I beg to disagree. Secularism is totally free from religiousness.

Y. J. Mahabal, Mumbai

Politicians Beware

The terrible tragedy inflicted on India by a handful of brain-washed, trained terrorists from Pakistan in the form of 10 raids in Mumbai makes us feel disrobed and naked in full view of the world. The payoff to the terrorists in terms of damage to property and loss of precious lives is out of proportion to their numbers. We all feel betrayed by both the central and state governments, as there is no feeling of security in this country for the average citizen. On the contrary the top politicians are smug with their X,Y,Z security cover and busy with their manoeuvrings. These politicians on their own will not improve until we make constant demands and put unbearable pressure on them to either perform or quit.

Our failure on the intelligence front is palpable and the terrorists are way ahead in their strategies against our collective capabilities to counter their evil designs.

The whole nation salutes the brave sons of India – in the police, the NSG, Army and the Naval commandos for their sacrifice in rescuing us from this siege.

Let the politicians know that there is burning rage in the general public against their impotent response to terror and be aware that they will one day, sooner than later, be engulfed by it.

Sadanand B. Kumta, Pune

Triple Shock

The news referred to in the letter “Triple Shock” (*Freedom First*, December 2008) regarding the razing of Sardar Patel’s statue in U.P. is shockingly distressing.

Even Mahatma Gandhi was insulted during Smt. Indira Gandhi’s regime, and the person committing this criminal act was rewarded. In 1969, Ritwik Ghatak a Bollywood film director, while writing

in a souvenir booklet published on the occasion of a cultural event at the Jadavpur University in West Bengal, branded Gandhiji as “an offspring of a pig from top to bottom”. There was thunderous silence everywhere. The then West Bengal Chief Minister Ajoy Kumar Mukherjee suggested that a criminal complaint should be filed by a relative of Gandhiji.

To make matters worse Ritwik Ghatak was rewarded with a “Padma Shri” by the Government of India in 1970. Is this the way to insult ‘The Father of the Nation’? He was honoured by the British government with the Kaiser-e-Hind but no Bharat Ratna or Nobel Prize. Yet *Hamara Desh Bharat Mahan*.

M. S. Kilpady, Mumbai

Our Credulity and Negligence.

‘Our credulity and negligence’- that is how Dr. S. Radhakrishnan, the President of India, commented after the Chinese invasion of India in 1962 on the attitude and the response of the Nehru government. The same can be said of the response of the UPA government to the most daring attack on Mumbai’s most famous landmarks – Taj Mahal Hotel, Oberoi Hotel and the Chhatrapati Shivaji Terminus, apart from the Nariman House where the Jews were killed in a country which has never persecuted them. No wonder that 43% of the people who participated in a poll conducted by *The Times of India* on 11 December felt that the Prime Minister should be penalised as well. I wish the Prime Minister had owned up his responsibility, moral as well as policy-wise and principle-wise. He had said Pakistan was also a victim of the terrorists along with India when the whole world knew that it is the nursery of terrorism and that is why it is hit by terrorism. The newspapers have published a list of 13 terrorist attacks since UPA came to power and people have seen some action only on the Malegoan blast. At least the 7 blasts in Mumbai trains when about 188 people died should have woken up the UPA. Most of the dead were poor and the middle class. Now, it is the death of the elite that has stirred the government into action. Nehru sacrificed V. K. Krishna Menon but people now want to hold not just the Home Minister responsible for what happened but the Prime Minister as well. His responsibility is more.

M. D. Kini, Mumbai

India 2009: Time for Citizens to get active in Politics

Jagdeep S. Chhokar

India and its democracy are at a critical juncture, particularly as the very "Idea of India" has been under severe challenge, only one of the manifestations of which were the events of November 26-29, 2008, in Mumbai. The forthcoming Lok Sabha elections in the early part of 2009 are likely to be one of the sterner tests faced by the sixty-year-old republic. The clamour against politicians, graphically captured by an SMS saying "Terrorists are not the ones who come by boat, but those that come by vote" is one of the most important outcomes of what has come to be called 26/11.

India and its democracy are at a critical juncture, particularly as the very "Idea of India" has been under severe challenge, only one of the manifestations of which were the events of November 26-29, 2008, in Mumbai. The forthcoming Lok Sabha elections in the early part of 2009 are likely to be one of the sterner tests faced by the sixty-year-old republic. The clamour against politicians, graphically captured by an SMS saying "Terrorists are not the ones who come by boat, but those that come by vote" is one of the most important outcomes of what has come to be called 26/11. Where are India and Indian Democracy at the beginning of 2009, where to and in what direction are they likely to go, and what can we, the citizens, do to take them in the correct, desired directions are the three broad issues that concern us here.

Indian democracy had a very auspicious and positive beginning, and flourished under the watchful eye and the nurturing hand of the Fabian socialist and idealistic democrat Jawaharlal Nehru. His respect for Parliament, nurturing of the fledgling opposition, concern for the minorities, and global vision contributed in a very significant way to laying a strong foundation for our democratic institutions, from Independence to the mid-1960s. Ironically, it was dur-

ing the tenure of Nehru's own daughter, Indira Gandhi, as Prime Minister that the dilution, debasement, and even destruction of the same institutions that Nehru had tried to build, started. And one of the institutions was what may be called morality in politics, a shining example of which was the H. G. Mudgal case.

Mudgal was a Member of Parliament from the Congress party. He was reported to have had some dealings with the Bombay Bullion Association, and was alleged to have been canvassing support for it in Parliament, in return for some alleged financial and other business advantages. When the matter came to light, it was referred to an *ad hoc* parliamentary committee for enquiry on June 06, 1951. The committee found Mudgal to have indulged in "conduct unbecoming of a Member of Parliament" and recommended that he be expelled from the House. Mudgal reportedly attempted to resign from the Parliament but was not allowed to do so. On September 24, 1951, Nehru, the Prime Minister and the Leader of the Congress Party, moved the following resolution:

"That this House accepts the finding of the committee that the conduct of Shri Mudgal is derogatory to the dignity of the House

and inconsistent with the standards which Parliament is entitled to expect from its members, and resolves that Shri Mudgal be expelled from the House."

Given the overwhelming majority of the Congress, the resolution was carried and Mudgal was expelled from the Parliament.

During the 57 years that intervened between 1951 and 2008, political morality has come (actually gone down) a long, long way. A surrogate of the distance traveled may be the fact that 18.18 per cent of the Members in the 14th Lok Sabha (2004-08) had criminal cases pending against them *at the time of the elections* in 2004. This was stated by none other than the Chief Election Commissioner of India N. Gopalaswami while delivering the 23rd Sardar Vallabhbhai Patel memorial lecture on the theme, "Election Management: New Paradigm" at the Sardar Vallabhbhai Patel National Police Academy in Hyderabad on October 20, 2008. In terms of actual numbers, 18.18 per cent works out to about 100. Other estimates put the figure at somewhere around 120 which works out to about 22 per cent. Taking the middle figure, if about 110 MPs have criminal cases pending against them, including those for murder, rape, dacoity, there can be hardly any doubt about the state

of political morality in the country.

The rot of the institutions that started during Indira Gandhi's first tenure as Prime Minister (1966-77) has continued with the coming of age of a large number of regional, and caste-driven political parties and the emergence and cultivation of "vote banks" by these smaller, regional parties. With the intensification of competition in the political arena, concepts such as ideology and morality took a back seat and "winnability" became *the only* and overriding criterion at election time. The nadir of political morality perhaps was when four or five members of the Lok Sabha were brought from jails where they were serving sentences for heinous crimes, to the House to vote on a motion of confidence in the government.

In a representative democracy such as ours, the Parliament and governance are outcomes of a larger political process, of which elections are just a very visible event in which citizens/voters have a central role. Some of the important issues in the political system are: who can or should be allowed to vote, when should electoral rolls be prepared, revised, and how? The formation, functioning including funding, etc. of political parties are perhaps the very essence of the political system. The reason the functioning of political parties is critical to the political

process is very simple and straightforward – political parties are the key and *the* major actors in the political arena. It is the political parties who decide whom can the voters vote for. They do this when they choose which aspirant will get the nomination of a particular party. Even after a candidate gets elected, s/he is not free to vote in the legislature according to her/his wishes because it is the party which decides, actually controls the voting behaviour of their elected representatives, if necessary by way of the issue of the *whip*, and the operation of the anti-defection law.

The irony of the situation in India is that while all political parties loudly claim that they are the defenders of democracy in the country, actually *none* of the political parties in the country is democratic in its internal functioning. This situation has not gone unnoticed. The 170th report of the Law Commission of India focused exclusively on Electoral Reforms, and devoted one full chapter of the report to the "Necessity for providing law relating to internal democracy within political parties." After reviewing the views of all concerned stakeholders and current legal provisions in India and several other mature democracies, the Law Commission came to the conclusion that "...it is necessary to regulate by law their (political parties') formation and functioning." Summarising the

rationale for this recommendation, it said "A political party which does not respect democratic principles in its internal working cannot be expected to respect those principles in the governance of the country. It cannot be dictatorship internally and democratic in its functioning outside" It then went on to reiterate that "It is therefore, *necessary to introduce internal democracy, financial transparency and accountability in the working of the political parties*" (italics added).

The crux of the matter is that all such recommendations of making new laws and also implementing them, can only be done by the political establishment, and the politicians being familiar and also possibly comfortable with the existing system, do not want to change anything, or at least the political establishment has shown absolutely no signs of wanting to do this. A simple and current example of this is that although the major political parties made categorical statements before the five state assembly elections in November-December 2008, that no tickets will be given to candidates who have criminal cases pending against them, every party did precisely that, as shown in the table below.

This brings us to the third issue, what can citizens do.

It is the elected representa-

State	Total number of <u>candidates</u>		Elected <u>MLAs</u> with pending criminal cases			TOTAL <u>MLAs</u> with pending criminal cases	
	Number	%	BJP	Congress	Others	Number	%
Chhatisgarh	76	8.00%	6	5	0	11	12.00%
Delhi	91	14.00%	9	16	2	27	39.00%
Madhya Pradesh	190	18.00%	27	23	4	54	23.00%
Rajasthan	189	11.00%	7	13	10	30	15.00%

tives who are authorised to do the above mentioned changes under the existing scheme of things, and since they are politicians above anything else, it is not realistic to expect them to make any of the above changes *on their own*. That is where the role of the citizens becomes absolutely critical and completely unavoidable. It is now being said more and more frequently that 'politics is too serious a business to be left *only* to politicians'. Citizens have no choice whatsoever but to get actively involved in politics if they want the governance of the country to improve. Felix Frankfurter, a former Professor of Law and later appointed as a judge of the U.S. Supreme Court in 1939, expressed this very eloquently in the following words:

"Democracy involves hardship – the hardship of the unceasing responsibility of every citizen. Where the entire people do not take a continuous and considered part in public life, there can be no democracy in any meaningful sense of the term. Democracy is always a beckoning goal, not a safe harbor. For freedom is an unremitting endeavor, never a final achievement. *That is why no office in the land is more important than that of being a citizen*" (Italics added).

What can and should the citizens do? The clamour against politicians after the Mumbai episode in November last year, is partly misplaced. It should not have been against politics and politicians in general, but against the *present lot of politicians*. Politics and politicians are essential in a representative democracy such as ours. They perform the essential task of mobilising and consolidating public opinion. However, over the years, our politicians seem to have decided that they have the

exclusive right to decide what is good for the country and for its people, and under the garb of this, they have been doing what is good for them, their families and friends, their communities, and their parties, completely forgetting about the nation and its people. And that is the change we need: for politicians to think about the country and its people *also*, in addition to themselves, their families and friends, and their parties. And then, there is the million dollar question: *How* can, and do we, the citizens, go about doing this.

The first thing we can do is to start taking responsibility for the situation in which we and the country currently are. And if we do not like that situation, feel responsible for doing something concrete to change it rather than merely blaming everyone and everything, including 'the system'. One of the simplest things we can do is to go out and vote. If our names are not on the electoral rolls (voters' list) then we should make it our business to find out the procedure for correcting that and actually do it. There might be some obstacles and pin-pricks in that but we owe it to ourselves and the country, to get ourselves registered as voters, getting over all hurdles, so that we can exercise the most sacred of our rights as citizens – the right to vote. We should obviously vote with care, making an *informed choice* while choosing whom to vote for. Each citizen has the right, and should exercise it, to vote for a candidate of her/his choice. It is actually immaterial whether a person makes the choice on the basis of the candidate or the party, so long as it is an *informed choice*.

However, what does one do if one does not like any of the candidates and any of the political parties? There is the provision of

Section 49-O of the Conduct of Election Rules, 1961, (and NOT of the Representation of People Act) which reads as follows:

"49-O. Elector deciding not to vote.-If an elector, after his electoral roll number has been duly entered in the register of voters in Form-17A and has put his signature or thumb impression thereon as required under sub-rule (1) of rule 49L, decided not to record his vote, a remark to this effect shall be made against the said entry in Form 17A by the presiding officer and the signature or thumb impression of the elector shall be obtained against such remark."

What the rule means is that a voter can ensure that her/his vote is not misused such as being cast fraudulently in favour of any candidate, and in that process the voter loses the secrecy of her/his vote. Rule 49-O *does not mean* that if a large number of voters use it, none of the candidates will be elected and there will be re-election, as has been mistakenly mentioned in several attempts to popularise this provision. This obviously is not the ideal solution but is the only one available at the present time.

The ideal solution will be if the electronic voting machine provide for an extra option, by way of an extra button, which says "None of the above", *and* if this option gets the maximum number of votes polled, then there should be a re-election, *and* none of the candidates who contested the earlier election should be allowed to contest the second time. In the current political and electoral climate in the country, this is likely to be considered much too radical to happen, or to be allowed to happen by the

(Cont'd. on p.39)

The Value of the Protest Vote

The Road to improving the Quality of Candidates and Thereby our Democracy

A. K. Venkat Subramanian

In a press note over four years ago, on April 14, 2004, the Indian Liberal Group drew attention to the existence of Rule No.49(O) enabling voters to register a 'Protest Vote' and reject all candidates on the ballot paper according to existing rules.

*Under this rule, a voter can go to the polling station and tell the presiding officer that she/he does not wish to cast her/his votes. The presiding officer will make a remark that the voter does not wish to vote and take the voter's signature against his/her name in the register of voters (Form 17A). At the end of the day, the presiding officer will, in totalling the number of votes cast, also include the number of electors who refused to cast their vote. By doing so, voters make it clear to all political parties that they are not satisfied with the kind of candidates put up by them. Though they have done their duty as citizens by going to the polling station, they have not found anyone on the ballot paper who deserves their vote. **This is the Protest Vote.***

The Catalyst Trust based in Chennai and its Trustee Mr. A. K. Venkat Subramanian have been actively promoting the concept of the protest vote to get all voters to exercise their franchise and not give an excuse that as they are not satisfied with the quality of candidates to choose from, they would much rather stay at home.

In view of the fact that today ballot papers have been replaced by voting machines and the procedure recommended above is not possible, Mr. Venkat Subramanian has been relentlessly campaigning to get the Election Commission of India to have one more button included in the voting machine which says "None of the Above" – "Above" refers to the names and symbols of other candidates.

We invited Mr. Venkat Subramanian to inform our readers on the position obtaining today and what we as citizens ought to be doing to get more and more voters to vote on polling day. Ed.

The problem in implementing the Rule 40(O) is that, the Voter has to openly say that he does not want to record his vote for any of the candidates. When Ballot papers were used, a disgusted voter could deliberately make his vote invalid by stamping on more than one candidate on the ballot paper in the secrecy of the polling booth. He can't do this today as ballot papers have been replaced by the more efficient Electronic Voting Machine (EVM). In order to enable the voter to exercise his right not to vote for any of the candidates an additional button has to be provided in the EVM which says 'None of the Above'. A suggestion to this effect was made to the Election Commission, and the Commission in turn recommended

it to the Government. As no action was taken on this recommendation of the Election Commission, I filed a Public Interest Litigation (PIL) in the Madras High Court on April 2004; later, a similar PIL was filed in the Supreme Court by People's Union for Civil Liberties (PUCL). The matter has been pending with the Supreme Court for nearly four years. The Election Commission has supported our request in the Supreme Court. Petitions have also been filed in the Supreme Court to expedite the matter. It will be worthwhile if large number of citizen groups request the Supreme Court to expedite the hearing and pronounce judgement before the next General Elections to the Lok Sabha in 2009.

In the absence of an additional button in the EVM, which will ensure secrecy in voting, many voters are not prepared to use Rule 49(O), since they are afraid that local political parties will harass them. Their fear is not unjustified in present-day politics. During the last Tamil Nadu Assembly Elections in 2006, I requested the Chief Election Commissioner (CEC) to at least bring Rule 49(O) to the notice of the District Election Officers, and the Election Officers, in turn to inform the Presiding Officers of Polling Booths about this Rule. Accordingly the Chief Electoral Officer (CEO), Tamil Nadu issued Instructions to all District Election Officers.

Unfortunately, the message

did not reach many Presiding Officers on time, with the result that even the few voters who had the courage to avail Rule 49(O) encountered difficulties in being able to do so. I therefore followed up the matter by requesting the CEO, to issue directions to the Election Officers, to display prominently Rule 49(O) in every Polling Booth. The CEO issued instructions accordingly (see box on page 44).

India's political parties do not want to provide an extra button in the EVM to enable voters to express their dissatisfaction with the quality of all the candidates on the EVM. They fear, understandably so, that the number of voters opting for the 'None of the Above' option' could well exceed the votes cast for the 'winning' candidate. This would raise awkward questions regarding the legitimacy of the "victory" of the winning candidate.

We have not come to that stage yet. That stage will come

only after the additional button is provided in the EVM. And when this happens, perhaps under the directions of the Supreme Court, we can provide for re-election, if 'None of the Above' gets more votes than the 'Winner'.

We have been conducting voter's awareness campaign during the Lok Sabha elections of 1998, 1999 and 2004; also in the elections to the Tamilnadu Assembly in 2001 and 2006. In this campaign we highlighted how the abnormally large percentage of those who did not vote was distorting democratic elections. Almost in all constituencies the biggest 'vote bank' was the 'non-voting bank'. Major political parties have not polled even 50% of the non voting bank. We have emphasised in the campaign that unless one votes, his/her concern will not become the concern of the political class. Telling the voters these facts pictorially has created definite impact because it has re-

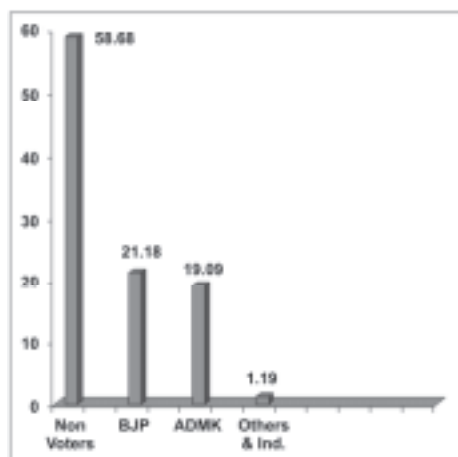
sulted in a larger turn out of voters in the 2006 elections to the Tamilnadu Assembly as compared to the 2001 assembly elections. For Tamilnadu as a whole the poll percentage increased from 57% in 2001 to 70.54% in 2006. For instance in the Mylapore Assembly constituency, where I live, as against 42% polling in 2001, 64% voted in 2006 (see box below). I have worked out the charts for the Mumbai South and Mumbai South Central Parliament Constituencies (see box on page 39) which seeks to show that if 50% of the non-voters all vote for a good candidate he/she can defeat any other party candidate. This is really the purpose of enforcing Rule 40(O). A movement in favour of the Protest Vote will lead us to a better choice of candidates thanks to a larger voter turnout who will no longer consider voting a futile exercise.

MR. VENKAT SUBRAMANIAN, IAS (Retd.); Trustee, Catalyst Trust; Email: catalyst-trust@eth.net • Phone: 044-24465601.

Mylapore Assembly Constituency Election Results (2001 and 2006)

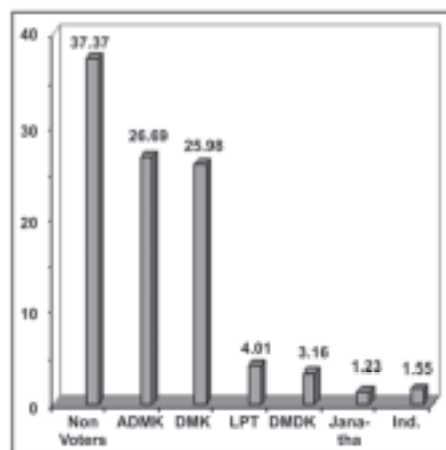
Votes Polled	119392	Non voters	169316
Non Voters	58.68	BJP	60999
BJP	21.18	ADMK	54953
ADMK	19.09	Others +	
Others + Ind	1.19	Independents	3440

2001



Non Voters	37.37
ADMK	26.69
DMK	25.98
LPT	4.01
DMDK	3.16
Janatha	1.23
Independence	1.55

2006



**“ EDUCATION IS THE CHIEF DEFENCE
OF A NATION “**

– Burke



ESTD - 1910

The Lakshmi Mills Co. Ltd.,
Coimbatore - 641 037.

India Under Attack

Ashok Karnik

Mumbai was ambushed on November 26 by an invading force of 10 terrorists and we were found wanting.

Violated

Mumbai was ambushed on November 26 by an invading force of 10 terrorists and we were found wanting. A small group held a city to ransom for 60 hours and inflicted untold damage to the nation's psyche. Attack at 10 places, siege of two five-star hotels for over two days, over 180 dead and 350 injured, including the one who led us in the war on terror.

26/11 was India's 9/11. How could it happen? Where did we fail as a country, as a people? Is anybody responsible for it – or at least accountable? So far, the Union Home Minister and Chief and Dy. Chief Ministers of Maharashtra have paid the price of failure. No need to shed tears for them. More heads need to roll, not because they were negligent but a culture of accountability needs to be engendered. The next incumbents should be on notice that failure means dismissal. The "*Chalta Hai*" culture must be rooted out. Platitudes are no longer the currency of public debate. Deliver or get out! Political parties are still engaged in one-upmanship on matters of national security. There is still the absence of consensus on such an important matter. Electoral politics overrides all other considerations. When can we think of the country as the first priority?

Intelligence Failure?

The use of the sea route by terrorists was recognised as a possible danger a couple of years back.

It was discussed at the national level and a scheme was put in place with great thought. Huge funds were sanctioned for the coastal states and action was supposed to be taken expeditiously. Everything failed because of the usual bureaucratic practice of evolving a solution and being satisfied with it.

Great ideas and poor implementation is our national bane. The Intelligence Bureau had reportedly warned that five-star hotels could be targeted. Was it a general weather forecast or something more specific? Such information is usually shrouded in vagueness. What was done after giving this valuable input? Was it left to the hotel security to fight terrorists? An intercept by RAW indicated that a suspect ship had left Karachi. What did the Coast Guard, which is the nodal agency for coastal security, do to stop the suspect vessel from touching Indian shores? Both the Navy and the Coast Guard have pleaded not guilty.

Who is responsible for anything in this country? Who were the local accomplices who recce the hotels earlier and provided transportation? How many local modules were involved and where did they disappear? There are hundreds of questions to which the common man will never get answers. A demand may be made for a Commission of Enquiry to look into the mayhem. It is the surest way of burying it all, as the enquiry will be completed long after we

forgot what it was appointed for. Philosophically we must wait for the next disaster to strike.

International Migraine

Madeleine Albright, former US Secretary of State, has aptly described Pakistan as international migraine. It has poverty, corruption, extremists, terrorists and instability. Pakistan's response to our anger and anguish is inanely copybook perfect. In a discussion on *Al Jazeera*, the Pakistan Foreign Minister argued that if India, in retaliation, moved its troops to Pak border, Pakistan would have to move its troops from the Afghan border to the Indian border, leaving its tribal belt in turmoil. This is to insinuate that India would be responsible for the ascent of the Taliban in the tribal belt! He added for good measure that India had not given any clinching evidence so far to associate Pakistan with the Mumbai attack. How much evidence would be sufficient if Pakistan is determined to turn a blind eye to anything offered by India?

The point is that the terrorists came from Pakistan and that country needs to control those who are sending the fidayeen. Nothing better was expected from Pakistan, as the world knows its incapacity to curb terrorism. Indian Foreign Minister for once called a spade a spade. He underlined the fact that mere intentions are not enough. India demands action on the part of Pakistan. He darkly hinted that

a military option was not ruled out. Asif Ali Zardari's rhetorical response to India's *demarche*, denying any connection with the attack, underlined Pakistan's refusal to face the truth. However, international pressure seemed to have worked somewhat with incoming reports of action being taken against L-e-T and J-e-M leaders in Pakistan. It must have taken a lot of arm-twisting by the US to get Pakistan out of its denial mode. Let us hope the arrested leaders are not released soon for lack of evidence!.

Media's role

The media played the usual game of pretending to be experts on hostage tactics, National Security Guards' (NSG) tardiness in clearing the battlefield, their weaponry, Fire Brigade's late arrival, non-availability of maps and sketches of the hotels for the use of the NSG, etc. How quickly can the media become an inquisitor in the name of public duty! It showed sense from time to time to warn that they could not show the exact operations due to security considerations and promptly lapsed into showing how the ter-

rorists were defying all odds and continuing their fight. Did it not dawn on the electronic media that such publicity is what the terrorists die for? The media can deny them publicity. Will the media ever become mature enough to understand the subtleties of this war?

What Now?

In short, we are back to square one. Lots of action are promised but nothing inspires confidence: NSG units are to be set up at more locations, Coastal security is to be better coordinated, intelligence strengthened and a Federal Investigating Agency is to be set up to deal with terrorist crimes. The last raises some hope, if the States do not come in the way again, citing the Constitution. We have yet to find a figure of authority who will take charge. As somebody said, we need a Churchill to take over from Chamberlain. A search for those who failed is on. It is not as if the departure of the Union Home Minister would rectify the past inaction. It is we who are guilty; for being tolerant of sloth, inefficiency, corruption and for electing representatives who fail us repeat-

edly. We the people must learn to demand specific action from our MPs and MLAs and keep them on a tight leash. There is no procedure evolved yet to demand the recall of elected representatives but the power of the media can be put to use for building pressure on non-functioning governments and officials.

In the aftermath of 26/11, the pettiness of regionalism was forgotten, as there was realization that Mumbai was saved by "outsiders". Similarly, more and more Muslim religious leaders are coming forward to declare that misinterpretation of "jihad" by the terrorists to kill innocent people is unacceptable. There is anger against politicians as a class but the anger needs to be guided into constructive action, not into denigration of democratic institutions and pluralism of India. The horror of 26/11 can achieve some good if the people constantly demand answers from their leaders. Let us not go back into slumber.

MR. ASHOK KARNIK is formerly Deputy Director, Intelligence Bureau, Government of India.

Would You Go to an Unqualified Doctor?

How about an unqualified architect to design your house? We wouldn't employ an unqualified junior officer in a company. And the first thing we ask to see is his licence when employing a driver. Government holds exams and tests for jobs in the railways and many other organisations. It even has tests for filling posts of juniormost clerks in government departments.

So do we citizens have any job description and specified qualifications for our elected representatives? No! Governing is serious business and cannot, must not, be left to ill-qualified persons.

Is it time to set up a school or college for politicians? Without passing out from these, we should not be voting for them. In fact, they should not get a valid ticket from any party. Interesting concept? And what should the curriculum include?

Citizens are tired of being told that "degrees" are not necessary for politicians, native intelligence is all that matters. But a look at all our leaders of yesterday will show they were almost all educated. Why should the politicians of today be exceptions?

The old saw "People get the politicians they deserve" is obsolete. We deserve educated leaders to govern. It's time we demanded this.

Farrokh Mehta.
farrokh_mehta@yahoo.com

India - A Soft State

V. Balachandran

A 'soft state' does not revise its methodology of fighting terrorism even after being battered by repeated attacks

Did we learn anything from the Bombay Serial blasts of 1993 where arms and explosives were smuggled through the sea? Did we learn anything from the 2001 Parliament attack or the Akshardham carnage of 2002 which had the same characteristics as the November 26 Mumbai attacks? Did we revise our anti-terrorist strategy after these attacks? The answer is an emphatic "NO". Therein lies the features of a "soft state" which does not revise its methodology of fighting terrorism even after being battered by repeated attacks.

Full details of 26/11 are yet to be revealed. However there would be no surprise if the same *modus operandi* was used by foreign terrorists as done earlier. In one of my columns in *Freedom First* I had given details of our 2001 Supreme court judgment in "Lal Singh Vs. State" wherein graphic details of gaps in our preventive intelligence methodology were highlighted. A close study of this 50-page landmark Supreme Court judgment will be an eye-opener to reveal several astounding defects in our preventive intelligence and gaps in inter-state police co-operation. Firstly, it is easy to enter India even with a bogus visa under fictitious names as revealed by Lal Singh. Although he and his ISI colleague were permitted to visit only Calcutta they happily traveled all over India for nearly 6 months, meeting co-conspirators, storing arms and explosives, hiring safe

houses and organizing a recce of the Madras Stock Exchange building which they wanted to blow up. Considering the admission in Parliament by minister of State for Home (Rajya Sabha answer on 26-07-06) that 1.5 lakh foreign nationals (Bangladeshis - 72,415; Afghans - 34,767; Pakistanis - 21,389) who legally entered India between 2003 and 2006 had "*vanished*" it is a moot question how many more such elements are still holed up in our country knowing the free run these two saboteurs enjoyed in India?

What exactly is wrong with our methodology? First of all, our preventive intelligence system is inherited from colonial days when demands on intelligence were few. None thought of revising it for more than 60 years. Sleeman's Thuggee unit which did remarkable work of ending the Thuggee menace during 1829-1848 in sentencing 3,504 Thugs out of 4,500 prosecuted was converted by the British into their Political Intelligence Department after the 1857 Mutiny. This became the British Intelligence Bureau which was rechristened as our present Intelligence Bureau (IB) after 1947. Practically no reforms were done to keep up with the times. No law was codified regarding the duties and responsibilities of Intelligence Bureau or later Research & Analysis Wing created in 1968 for foreign intelligence.

A question is always asked why do we need an enactment

when their work is "hush-hush"? Won't a law make their work public? A law is required for two reasons: Traditionally an Intelligence Bureau enjoyed a superior role vis-à-vis State Police in regard to internal security and security of VIPs. Both IB and RAW cannot act on their own since they do not have enforcement powers although they have lead role in internal & external security. However this unwritten code of relationship has been coming under strain since more and more states are being ruled by different political parties who do not like central supervision. If a law is codified it will give a legal base to carry out that role although they do secret work. State Police will not be able to challenge their directives on internal security.

Secondly a legal base will result in better accountability. Currently, after every terrorist attack an unseemly spat starts through the media that "Central agencies" had warned but "states failed to take action". If an alert had really been conveyed it should be in the form of a "Secret" communication. State Police will not be able to deny it. Hence a legal base will result in better accountability on the part of central agencies and State Police. It is for this reason why other countries like USA, UK, Canada, Australia and South Africa have codified laws regarding their Secret Services. We have done nothing like that.

Thirdly, the British and

Princely States pattern of entrusting all coercive work to their police was followed by us with slight tinkering here and there. The Centre has no police which can act on its own. CBI cannot act in States without the latter's clearance. We still follow the 1861 Police Act. In one of my columns in a Delhi based fortnightly titled "Police - India's cheapest bonded labour" I had said that 22 responsibilities, totally unconnected with basic police role (prevention, detection of crime and maintenance of law and order) were cast upon them by the 1861 Act like cattle impounding and street dirtying. Police burden was further increased by hundreds of "Minor Acts" as well as "State Police Acts" like the 1951 Bombay Police act which cast 14 additional responsibilities including tackling infectious diseases and offensive odours. This enabled State Police to provide ready excuses for poor crime control because of "understaffing" while at the same time widening areas of corruption.

A few days before the Bengaluru serial blasts in July 2008 the new Police Commissioner there agreed to impound thousands of stray dogs under pressure from NGOs. Such extra duties were cast on the State Police by the whims of State politicians. Former Maharashtra deputy Chief Minister Shri R. R. Patil insisted on keeping night vigil over "Ladies' Bars" which the Mumbai city police did by diverting their street patrol men. Grassroots police intelligence suffered in the process. When terrorism exploded in the early 1980s, such enormous diversions took place. It was said that 12,083 out of 41,914 police personnel were detailed for protection duties of "VIPs" - film stars and politicians in Mumbai. This report has not been denied. Over a period

of time, State intelligence wings became "Punishment postings". One Deputy Commissioner of Police involved in the "Telgi Scam" was removed from the elite Mumbai Crime Branch and posted to city Special Branch before he was arrested. What message did the Government give to the Special Branch which is supposed to be the eyes and ears of the city Police? This is the state of affairs in almost all the Indian states.

At the same time no thinking was done by Delhi to pursue alternative methods or to rationalize police working. Our former Union Home Minister Shri Shivraj Patil had ruled out Central role saying that the solution was to increase Police-Public ratio by recruiting more policemen. He said in Chandigarh on October 25, 2008 that 10 lakhs additional policemen will be recruited. Unfortunately this is not going to work. We will have a vast army of untrained and under-equipped policemen who will not be able to give us any protection from such terrorist or Maoist attacks. It will also create command and control problems. This is because terrorism is transnational, professional and secretive in nature, conducted by highly motivated cadres.

State police on the other hand are fragmented, largely inefficient, slow in reaction, badly trained and highly politicized. Police cadres are governed by tenure rules, which prevent growth of professionalism needed to penetrate secretive terror units. Operational efficiency of police units differs vastly from state to state. Coordination between police units is hardly satisfactory. Interrogation reports are not shared promptly. Although the Indore SIMI modules were arrested in March 2008 on leads given by the Davangere Police, a special officer

had to be sent by Bengaluru Police in July to Indore to get their interrogation reports although both units were from Karnataka.

How have other countries tackled this growing problem? UK does not have one police system unlike what it introduced in India. It has three separate legal systems for England-Wales, Scotland and Northern Ireland, besides four different types of legally empowered police forces: 43 units of *territorial police* as we have in the states, six *national police forces* like "SOCA" and "SCDEA" to fight organized crime, "Transport Police" under Transportation Department and "Civil Nuclear Constabulary", seven *miscellaneous forces* like "Parks and Open Spaces Police" and four *non-police forces enforcing crime law* like "Serious Fraud Office" under the Attorney General, "Gambling Commission" and "UK Border Agency". Thus the burden of policing and security is evenly spread out and not confined to only one type of policing like in India. The same system exists in the United States too. In Washington DC, the police under the Mayor control only a small area. The Park Police, the US' oldest police system (1791), under the Interior Department, has charge of the parks, Capitol Hill and White House (with the Secret Service), while the State Department's Diplomatic Security takes care of diplomatic security. The FBI has basic responsibility on preventing terrorism.

Finally I have been writing for long about the need to have "terrorist intelligence integration centres" to collate and institutionally transmit terrorist intelligence and also a *Federal Police* which can go anywhere in the country to deal with terrorism or Maoist insur-

(Cont'd. on p.39)

War on Mumbai

What the Common People Ought to Do but Failed to Do

R. C. A. Godbole

The common people of Mumbai should contribute towards the refurbishment of the Taj, not because Mr. Tata needs it, but that's the way we can signal our appreciation of the Tata presence in our midst.

The compelling images of the Taj Palace Hotel in Mumbai, torched by terrorists shall erase themselves from the TV screens soon. Before they fade away completely, here are some thoughts about the days ahead. The element of surprise in this war was comparable to that of 9/11 in the US, and in the face of such element, no surveillance measure can cope. If someone suddenly opens fire on a teeming street, people would get killed. You cannot empty the streets thinking of such contingencies, nor can you keep an eye on everybody all the time. Your only chance of reducing the casualties comes if people lie flat/shield themselves or manage to disarm the gunman.

Life in Mumbai is very trusting, which is not too bad a thing. We have a *race memory* of generally not being harmed by passers by, consolidated over thousands of years - bristling suspicion against any and everybody cannot allow a society to function. Even as a short term measure it has not been successful anywhere in the world, and as a constant state of being it has too great a human cost. It curdles lives, snuffs out communities and ultimately leads to the destruction of the ability of the people to live together in any form whatsoever.

Techniques of surveillance which rely on technology without much human insight fail and fail

spectacularly. One reads the old British intelligence gathering in the oil zone being compared favourably to that of the Americans in their Hi-Tech war efforts in the same region, and the reason suggested is that this is due to the failure in the interpretation of data gathered. Brits had people out there, whereas the Americans have machines. Spending a lot of money on equipment has not proved to be a very successful strategy for the Americans in their effort so far.

We don't have or want to spend even that amount of money. We have plenty of people though, and it is the safety engendered and bolstered by all those eyes, ears and minds that we should strive for. Now this is not something that one could advertise a tender for. It has to come in the direct aftermath of this tragedy. Awareness of possible dangers and a way to behave in serious situations must permeate in our society along with the fact that general social encounters here are not harmful.

There are some fledgling initiatives which have arisen from the crowds, which need some nurturing. For example, the regular local train commuters in Mumbai generally travel with the same bunch of people, and in times of emergencies such as these, they are the first ones to check on their fellow passengers by mobile phones. All this is done as private initiative, and is very effective as

a result. There is no question of intrusion or trespass in their private lives, it is perceived as a simple human concern for the others. This mechanism saved a great deal of confusion and grief after the train bombings of 26th July 2006. Similar SOPs exist tacitly with these regular commuters if there is flooding or breakdown in the train services due to natural causes. This is the real strength of our society. These measures create a web of information around a sizable chunk of the population of Mumbai, and a central effort to find a humble entrance in this web must be instituted by our local government. Similar mechanisms do and could exist in the society; we need to search for those for our safety.

98% of the population of Mumbai has been excluded from the inside of the Taj Mahal Hotel, but its very presence has induced some serenity and structure in their chaotic lives. The common people of Mumbai should contribute towards the refurbishment of the Taj, not because Mr. Tata needs it, but that's the way we can signal our appreciation of the Tata presence in our midst. A responsible collection organised around the Gateway of India till say, 26th November 2009, should enable all of us to contribute towards the rebuilding of that calm and security in our society. May be a flyer telling the donors why this is being done should be distributed.

Words have powers beyond time, and unexpected impact. It'll be rebuilding of some beauty, a positive symbol which should exist alongside our lives, however sordid those individual lives might be. The very fact that they are allowed to exist in the middle of much negativity allows all of us a peculiar poor man's generosity. This is very important in a civilisation. This is often thought of as preserving of the face or some such manoeuvre and it can only have importance attached to it in the context of a continuous civilisation such as ours.

Measures to this end can thus come from indigenous thinking rather than half digested cultural extrapolations that generally pass for thinking in our circles. The serious money in Mumbai must get thinking about this sort of inclusion initiatives. This does not mean sharing out their cash or something crudely improbable as that, but nevertheless needs careful introspection. A bursary for the police aspirants from say, Satara, where many of the slain policemen came from,

endowed by the City money could be an appropriate positive step. Some such investment in our collective future is necessary. The important question here is to realise that there is a collective future for the serious money and people of Mumbai, Maharashtra, India, etc.

Think about the toddler Moshe snatched to safety by the fleeing maid in the Chabad House/ Nariman Building. Ordinary people are capable of such acts, given enough chance to engage emotionally with the people involved. Why was there no contact between the local residents and the inhabitants of that building? Harmless gossip has different meaning at different levels of information. Why was the fact that the newcomers to the building were stocking up on food not communicated to the principal resident of that building, through the servants or other personnel even as harmless gossip?

This lack of engagement is not only true for the foreigners living in our city, many of our better off citizens live equally cut

off lives. They start by excluding, ignoring and finally despising the masses outside their bubbles; simply because they can afford to do so. This is much in evidence in India as elsewhere, but the twist here is that such people float free on received perceptions and opinions, detrimental to the very substrate they should thrive on. For, a functioning human neutrality is not a biological feasibility, be it in general conduct or in ideology. You have to be biased in favour of living among the people you are surrounded by. You might change surroundings, but not the bias. The fact that you are not forced to change your surroundings means that you are in someway nurtured by them. If you are not biased towards the majority outside your window, you are biased *against* them. This is the single important thing that the unscathed, well off commentators on events have to ponder over to suggest action

DR. R. C. A. GODBOLE is a Scientific Adviser and IP Strategist. Email: rcagodbole@gmail.com

Mumbai: Pakistan's Moment of Opportunity

The Pakistan State - by which is meant here primarily the army and the ISI - thus faces a moment of crisis. But this is also a moment of opportunity. Pakistan has been asked to cooperate fully with India and the United States in the investigation of the Mumbai attacks, and to hand over named individuals - including the JuD/LeT leader, and the Karachi-based gangster Dawood Ibrahim, an Indian national implicated in many terrorist attacks within India.

If Pakistan complies with these requests - whether or not it is complicit, and in a way consistent with the country's own laws and constraints - it would send the strongest possible signal to the international community of Pakistan's rejection of its use of terrorism in the past and its determination to end state support for terrorism in the future. Moreover, it would demonstrate to the world that the Pakistan army and ISI are now willing to subordinate themselves more fully to the democratically elected civilian leadership of Pakistan - which clearly wants to normalise relations with India - and to open a new chapter in civil-military relations.

Pakistan's failure to meet these requests, and obfuscation in the investigation of the Mumbai attacks, will only strengthen the views of Pakistan's critics and will have a negative impact on United States policy towards Pakistan. The fires of Mumbai provide Pakistan with a clear moment to begin to cleanse itself of its self-destructive embrace of terrorists and terrorism.

Excerpted from: "Mumbai: Pakistan's Moment of Opportunity" by Shaun Gregory Professor, Department of peace studies at the University of Bradford, England, and Author of *Pakistan: Securing the Insecure State* (Routledge, 2008). Courtesy: www.OpenDemocracy.net

Ending Terrorism

Vivek Raju

When we are faced with a problem, a crisis, our immediate response is to look at reasons and solutions *outside* of us. It is always the environment or the situation that is the problem. It is invariably seen as the other person or the other group that is the problem

Over three days the world watched in horror and utter shock, the sheer madness of what happened in the hotels, train station and hospitals of Mumbai. Terrorism took a whole new dimension as young, educated Islamic youth went on a rampage, killing hundreds and spreading unimaginable terror. The screaming journalists on television added to the chaos and mayhem of those three unforgettable days.

On day four, it ended. The armed forces and all the media claiming victory over the terrorists – 10 in number. You all know what happened and what ensued.

Was it indeed a victory for the civilized society? Here were 10 boys with only one agenda in mind – maximum damage of life and the spread of terror among the residents of the city. They had achieved that to the fullest and more. They were aided by a media, intent on only one thing – getting as much mileage for their channels out of this tragedy.

We played in to the hands of those wanting to terrorize. It took us 3 full days and hundreds of dead to quell 10 terrorists. And we called that a “Victory”. The basis for terror is only one thing – that this could happen to you. That is fear – a taste of the future possibility of death today. And to know this could happen to you, a glimpse of the barbaric event is good

enough. Memory stores it and that becomes the point of reference for fear to be replayed over and over again. And no ally is more powerful for the terrorist to build on that memory than an especially excitable media focused on the sensational. Not only were the gruesome and depressing pictures telecast 24/7 but, even more stupidly, the terrorists were handed out information about people staying in rooms in the hotels!

On the one hand the terrorists used human tragedy to spread their message of terror and on the other hand the media used this human tragedy for profit – i.e. Television Rating Points – TRPs, that’s what brings in the sponsorship. The role of a free press needs to be re-looked at during such desperate times. With the freedom to report comes the responsibility for the effects of reporting. A principle is only as good as the time it was created.

The game has begun now to identify how it all happened, who is to be blamed and how terrorism can be stopped.

Who is to blame?

There is clear evidence that available intelligence was not used and there were lots of warnings given by local as well as foreign (US) organizations. The State Govt. reacted slowly to the crisis. The NSG commandos reached 6 crucial

hours later. The Mumbai Police was terribly ill-equipped to handle the situation. They lost three of their finest officers at the very beginning of the attacks.

The evidence so far suggests that our neighbours could have had a hand in this. The outrage is to be expected. Go to war with Pakistan or at least retaliate in some form seem to be the demand of the majority of our citizens. Fears of a backlash on the Muslim community are very real. Politicians have lost their jobs. The outrage seems to be directed at the people who govern the country, suggesting that the problem lies largely in the incompetence of governance.

Do we blame the people who provide resources to the terrorist organizations? The Gulf states have been known to do that. They may be the lifeline for these organizations to thrive. And oil is what makes all this possible. To think that the world buys millions of litres, that ends up as guns in the hands of the terrorists!

What about the weaponry that the terrorists used? There are only a handful of countries that have the capabilities of making such weapons, with the USA being one of the largest suppliers of global arms. Apparently the guns that the terrorist used in Mumbai were of the next generation to the Uzi and Pakistan had a license to make it. Do we therefore, blame the

arms manufacturers?

Or do we blame the constructs of a religious faith for this chaos?

So, do we blame:

- Ineffective politicians, bureaucrats, defence forces?
- Specific States that harbour and support terrorist groups?
- People/States that provide the money to these groups?
- Organizations that provide the arms to these groups?
- A religious faith?

Forces have been specially trained. Intelligence and counter intelligence units have been set up in many countries. There is heightened monitoring of key entry points into a country – air, sea and land. And yet terrorism is on the rise. People say that democracies are a soft target as people live in relative freedom. And that this is the price we pay for freedom.

Well it seems so obvious that if we stopped the flow of money and arms to the terrorist groups, impose a total black-out on all terrorist actions, since the communication of the terror event is so important in spreading terror, and each state acted responsibly and ensured that terrorist groups did not take root in their territory, terrorism would come to halt. But will that happen? It requires coordination of a kind that has never been done before. Countries and people have to come together and put together a concerted effort.

And this is virtually impossible. There are far too many vested interests that will never allow this to happen. Arms are hugely profitable. Ask the Americans. During

times of war and conflict, their economy gallops.

All the possible sources of action that can be taken to end terrorism have one requirement in common – the need for a fundamental change in human behaviour. It requires that we drop our different vested interests to see an end to terrorism – those who are terror targets as well as the terrorists themselves. Can this happen? To my mind the answer thus far is no. And so it is only logical then to ask ourselves as to why we humans, in the face of such obvious need for change, cannot leave behind our vested interests and work together for peace? The response from many would be that this is an idealistic and a rather naive question. But isn't it such an obvious and a very serious question to pose to a society hell-bent on its own destruction?

When we are faced with a problem, a crisis, our immediate response is to look at reasons and solutions *outside* of us. It is always the environment or the situation that is the problem. It is invariably seen as the other person or the other group that is the problem – those people just don't understand what it takes to live in peace and harmony. So our solutions lie in controlling this outside world and we hope to bring change through that. Has that worked? For 5,000 years of recorded history, we have been at war with each other. Our civilizations have been characterized by prolonged periods of the violence of war.

Isn't it so obvious that we are part of that same world? A world made up of you, me loaded with a baggage of racial, religious, social, ideological and national dogma. So who is right and who is wrong in this horribly divided

society? That would depend on one's perspective – as an Indian or an American, a British national or a Taliban or a Muslim, a Christian perhaps or a Hindu? And from that terribly small perspective we look at the world. When Islamic terrorists want to regain their glory and defeat the West, what is it but a perspective, which goes head-on against that held by the West? Which one is right?

For thousands of years humans have been engaged in one large scale activity – the division of this world based on the divisions in our minds – and it's our perspectives that drive these divisions. Isn't that obvious? And to think that we have carried these perspectives generation after generation. Living the same life our forebears lived, albeit in a more technologically advanced way. No wonder then we use the marvel of technology in a most violent way. We split an atom and that very marvel is what holds the world in fear of annihilation.

Terrorism is another form of violence, a continuation of the way we have lived. Yes there is great consternation that "innocent" people are killed by a select few madmen – but how is it different when other people hurt and kill others for profit as it happens in the corporate world? How is it different when greed takes over and ruins the financial markets around the world as we have seen recently? Thousands upon thousands have been left without jobs and with the prospects of a terrible and undignified life. All for the sake of a few people wanting more – how are they different from the terrorists who want to ruin others for their gain? How are terrorists different from those people who rape and pillage our Earth for profit – cut up our Earth and dig

it till it's dry? How is terrorism different from those people who are corrupt and violate every little law that we have in our 'civilized' society? How is terrorism different from the sheer apathy that all of us have for the poor who live and die in sub-human conditions? What about all the millions who die because there is no food nor water in Africa or the genocide that takes place there so regularly? Who is to blame – the profligacy of rich and sophisticated nations? Is that any different from terrorism?

The problem with terrorism in its current form is that it 'disurbs' those who are living a life in the cocooned comfort of their little world. These are the few on whom a limited media looks to for a voice. Look at all those superstars of Indian cinema decrying the situation. A major star actually talked about what Islam really is and what it is not. He also talked about secularism. What is secularism? First the mind creates religion. And then it invents secularism to control it! These same very people couldn't care less about the hundreds who die in the slums of their city. The sheer poverty and hope-

lessness of those who do not have money to live decently does not touch these people or others. I do not hear the same outcry from them about the way people live and die horribly in the hundreds of slums of Mumbai or any other city? There is hypocrisy in it. And a mind that has a perspective, any perspective, is bound to be hypocritical. Can we *see* that fact?

So what is important? That we *see* what "our" perspectives do to us as humans and therefore what the real basis for violence is? Or do we look at continuing our millennia old habit of looking at the outside world to find solutions

Violence has several forms and the basis for each of them is the same. It comes from the same ground in the mind – an intolerance of anything other than one's own deeply held perspectives. So when an individual violates a spouse through harsh words or physical violence or when a madman with his followers almost exterminates an entire community, the basis for that is the same - intolerance brought about by deeply

held perspectives. Violence is nothing but an aggressive intent to subjugate or get the "others" conform to a particular perspective. To really *see* that all kinds of violence have the same root is truly transformational.

Over a few million years ago, our ancestors took a great leap. Nature provided a bigger brain and with it evolved our consciousness with self awareness. That evolutionary advantage is over. We have wasted it. We are on the brink unless we take the next evolutionary step. That very evolutionary advantage, our self-aware consciousness, needs to evolve. And the first step is to recognize that the problem is not outside. It's in us.

Terrorism can end but only when violence ends in each of us. Perhaps then there would be that quality of mind that will make people live together in peace and harmony – the quality that is compassion.

MR. VIVEK RAJU
Email: viveksworld@gmail.com

Universal Economic Crisis – Islam Can Show the Way Out

Islamic economic system is based on justice and equity and gives more importance to people than to profit. It completely bans interest and encourages economic cooperation and charity. Interest gives unchecked power to money and moneyed people to determine the course of economic activities. The Holy Quran declares that Allah destroys interest and promotes charity. Islam encourages investment of surplus wealth in beneficial economic activity on the basis of profit and loss sharing. It does not allow money to make money at the cost of non-moneyed people who are also engaged in meaningful economic activities. Likewise, it does not allow speculation, which harms the interest of common man and gives power to speculators, who buy and sell what they do not possess.

In the wake of the present economic crisis leading economists across the world are looking towards Islamic economic system which is based on equity and fairness and is free from exploitation and injustice.

Excerpts from an editorial in *Radiance Viewsweekly* 14-20 December 2008

We make Steam.



Every other company sells boilers. Not us.

We sell total steam solutions. With a full range of Spirax steam energy conservation products, microprocessor based control instrumentation to ensure optimal energy usage and services to help you better harness steam, air and water.

Our Energy Audit service helps optimise your energy costs, our Consultancy service provides with detailed engineering of all process utilities, and our Steam Engineering Centre provides education and training on efficient utilisation of steam. The result is lower energy consumption, improved product quality and better control of your process.

And yes, we make boilers, too. The best in the business. Our fully packaged boilers with efficiency monitors and automatic blowdown controls give maximum fuel efficiency, so you don't waste heat.

So the next time you want a big metal box in which to burn up your fuel budget, call someone else. And the next time you want to conserve energy and save money, try a total steam solution.

Forbes Marshall

Mumbai-Pune Road, Kasarwadi, Pune 411 034, India.

•Tel: 91(0)20 - 7145595 •Fax: 91(0)20 - 7147413 •E - mail: blzdev@forbesmarshall.com •www.forbesmarshall.com



Cornucopia

Firoze Hirjikaka

Terror in Mumbai

This is the real scourge of terrorism. No matter how many terrorists we kill, they have already won.

I probably should have written this piece last week, when the topic was red hot; but it was too close to home, too personal. I thought a week would give me time to cool down; to approach the tragedy with a more rational perspective. I was mistaken.

I am still bewildered, horrified and, above all, I am mad as hell. They attacked my city; even worse, they desecrated my neighbourhood. Yes, nine out of the ten terrorists are now dead, but that provides only grim solace.

Most of the citizens of Bombay watched the 60-hour deadly denouement unfold in real time on their television sets. I had a ringside view. According to eyewitness accounts of the very few survivors of the bloody carnage, the terrorists were young men in their early twenties, who seemed to have no other agenda but to indiscriminately butcher whoever they could find. The age and sex of the victims did not matter. The only thing that marked them for death was that they were human beings. The bad guys took some hostages, but made no real demands. All they wanted was to kill. Hotel guests and visitors were lined up against the wall and executed firing squad style. To add a final macabre touch to an already grisly situation, the terrorists videotaped the bodies as they lay.

For me, South Bombay is the original Bombay - when the population was a mere half million. It is a place of graceful colonial buildings, promenades and shady by-lanes - an oasis of tranquility, if you will, in a city that always seems to be in a rush. It is also where two of Bombay's oldest and grandest hotels - the Taj and the Oberoi - are located. More personally, it is the part of the city I was born in - and where I've spent most of my six decades on this planet. The Taj - just a stone's throw away - is an old and dear friend. It is where I've had my hair cut for the past 30 years; and whose pastry shop I visit every Saturday to pick up chocolate eclairs and other confectionary goodies. It is where I had my first lunch date with my wife-to-be, at the Ballroom, 34 years ago. It also happens to be one of the most iconic hotels in the world. Today, it is a hollow, burned out shell of

its former glory. It is crying out in anguish - and I am weeping with it.

Remember that famous FDR quote about July 7, 1942? Well, November 26 will henceforth be referred to as Bombay's day of infamy. By a strange quirk of abysmal coincidence, it also happens to be my birthday. God may have abandoned Bombay that fateful Wednesday, but He was looking out for me. My wife and I were scheduled to celebrate the big day at the Masala Kraft restaurant in the Taj. We had even made reservations. For some unexplained reason, my wife developed a splitting headache that night. So we decided to skip the restaurant; and order pizza instead. If we had gone, I would probably be communicating this to you from heaven - or the other place.

The most heartbreaking moment was when I saw flames leaping from the venerable monument - and thick black smoke spiralling outwards. This was my Taj - Bombay's Taj - and she was being brutally assaulted like a virgin screaming in agony, as she was raped by a bunch of gang bangers. And there was nothing I could do, except look on in impotent rage. The trauma finally ended early on Saturday morning; but nothing will ever be the same again. The *grande dame* of Apollo Bunder has been grievously violated. She will take more than a year to regain her former glory. And even after she does, it will no longer be a great place to hang out in. There will be security guards, metal detectors and sniffer dogs. No more strolling into the Sea Lounge for the to-die-for Cafe Viennois; or just parking myself in the lobby for a blissful hour, soaking in the refined atmosphere of wealth and privilege. My second home will become a fortress. I will no longer feel welcome.

This is the real scourge of terrorism. No matter how many terrorists we kill, they have already won. They have won because they have changed the way we live. They have made the previously unacceptable a necessity. They have forced us to retaliate and involuntarily enter their dark world. They have robbed us of our innocence.

Cornucopia

Sound And Fury

The ones who struggle to get a foothold on the 'Virar Fast' are the ones with the power to change things; to make our politicians accountable - and afraid.

Candlelight marches, derogatory placards, panel discussions on television news channels, as the *Times of India* put it, anger against *netas* and *babus* boils over in Mumbai. Outraged messages are flying around think and fast. One says, "We need to wake up and stop sleazy, self-serving *netas* to take us down the road to death and destruction."

No argument there. The million rupee question is, who is this "we"? Presumably it's the citizens of Bombay. There is an enormous amount of rage and frustration exploding outwards. If the past is any indication, all this anger will bombard our emotion and grief; and swiftly disperse into the ether. We need to channelize this righteous indignation and put it to effective use.

Let us take concrete examples. At a rally on Marine Drive on Sunday evening, a retired teacher said, "We don't want posters of politicians' grinning faces any more". The truth is we never 'wanted' it, but we 'tolerated' it. Even now, the monumental egos of our *netas* - and their abysmal indifference to the public mood - will ensure that the posters will continue to be put up. So what do we do then? Tearing them down would make a powerful statement. But suppose some bravehearts actually did it. Would "we" come to their aid when they are hauled off by the police? After all, the privilege of destroying public property, with impunity, lies solely with our political parties. Will "we", then, take a stand

and demand that action be taken, instead, against the egomaniacs who are defacing Bombay's skyline with their monstrosities?

The pathetic reaction to Bombay's tragedy by the state's (now 'ex') chief minister and his deputy (also now 'ex') illustrates that they still don't get it - and probably never will, until we hit them where it hurts. We cannot shame them, that's for sure. The only way we can hurt them is through the ballot box. At the moment, "we" do not have the numbers.

So am I being pessimistic, or realistic? Ironically, the reason the terrorist tragedy has generated so much attention is that many of the people directly affected by the mayhem are the "other half" - the people educated and articulate enough to express their outrage. One really does not know the reaction of the "normal" Mumbaikar. For all we know, he may even feel a smug satisfaction that the shoe is, for once, on the other foot. And truth be told, we haven't bothered to ask his opinion. Perhaps it is time we did.

The ones who struggle to get a foothold on the 'Virar Fast' are the ones with the power to change things; to make our politicians accountable - and afraid. It is time to reach out to them and get them involved. Otherwise, the current tempest, to paraphrase Shakespeare, may turn out to be a tale full of sound and fury, signifying nothing.

People Power

The acid test will be if the popular anger will be sufficient to change the system.

Witnessed something remarkable last evening - both live at the Gateway of India, as well as on television in Delhi, Chennai, Hyderabad and Bangalore. It was a sight that India has not witnessed since the days of our freedom struggle.

I saw thousands of common citizens spontaneously showing up at designated locations and expressing their anger and frustration. What was amazing about these gatherings is that they were not organized by any political party. The crowds were not bussed to the location, nor were there any party banners or "leaders". On the contrary, the crowds

targeted all politicians - regardless of party affiliation. For the first time in the history of independent India, I was witnessing raw people power.

Could this be the proverbial straw that broke the camel's back? What was it about this particular horrific episode that shook the citizens of Mumbai out of their habitual indifference and apathy? After all, the 1993 bomb blasts and the 26/7 train bombings were equally barbaric acts, but they did not provoke a reaction remotely comparable to this. Perhaps it was the saturation coverage on television that brought the tragedy intimately into people's homes;

and made them realize how vulnerable they were. Perhaps, it was the pathetic, bumbling response of our so-called leaders that lit the flame of the general public's smouldering anger. The latest news about the discovery of unexploded RDX explosives. lying unattended and undiscovered a week after the incident, at a time when our politicians were assuring us of "stringent security measures that would ensure such a tragedy never occurs again" merely reinforces the common man's opinion that they are ruled by a bunch of totally clueless and incompetent self-serving nincompoops.

Whatever the reason, the spontaneous outcry was a heartening sight. For sure, some of the sentiments expressed, regarding an immediate attack on Pakistan, displayed ignorance about the way the real world operates. But at least their hearts were in the right place. The acid test will be if the popular anger will be sufficient to change the system. People power can be an extremely potent weapon, as was demonstrated when the people of the Phillipines overthrew President Marcos.

India's problem is more complex, however. In the first place, it is a moot point whether the politicians are truly perturbed even now. For every demonstrator that came out on the streets on Wednesday evening, there are a hundred impoverished, semi-literate Indians whose votes can be cheaply bought. And even suppose a miracle happens and we the current set of charlatans are booted out. Who are we going to replace them with? It's a vital issue that requires, not just passion, but clear thinking.

I normally get irritated when I read letters to the editor that offer simplistic and facile solutions to complex problems. So I am not going to fall into that trap. All that I will request my fellow citizens is to push this unique movement to its logical conclusion. We deserve better government, to be sure, but that can only be accomplished by concrete action; not slogan shouting.

MR. FIROZE HIRJIKAKA can be contacted at leonardo8_99@yahoo.com

We Fail Not Only in Internal Security but in Diplomacy Too

(The following is an excerpt from a letter received by Mr. V. Balachandran from his Indian American friend and published with his permission)

"Your previous article on India's need to organize a nationwide analog along the lines of our Department of Homeland Security flashed before my mind every time I saw the gruesome images of the Mumbai massacres.

"What pained us all was the spectacle of total unpreparedness of emergency medical and rescue assets at the command of the State of Maharashtra and the primitive nature of not only the equipment but the personnel manning them. The only silver lining began to appear on the TV when the Black Cats began their operations. I hope that this incident will wake up the Indian Central Government from its slumber and create in every major city (vulnerable to terrorism) a stand-by "Black Cat" analog or NSG unit stationed as an appendage of every state's "area military command".

"It seems like the Indian intelligence repeated the same kind of failure in connecting the dots as ours did prior to our 9/11. Even now, here in the US, the local police-intelligence gathering efforts are not being well-coordinated with those of our Federal agencies. I say this mostly because we recently had a scandal ...when we found out that the prior Republican Governor had independently authorized (without the knowledge of Federal authorities, if it can be believed) our state police to gather secret data on some leading (citizens) who were involved in protesting the Iraq War! The new Governor (Democrat) has promised never to allow any such uncoordinated rogue initiatives.

"I saw this morning the Pakistani Ambassador (Haqqani) a friend of the late Benazir doing an effective job on our talk circuits (TV). There was no one from the Indian Embassy (as usual) to give India's side of the story. In my 45 years of experience in the US, I have seldom come across (other than Karan Singh & Palkhivala) any Indian Ambassador who had either the media savvy or showed any willingness to go before the media here and effectively explain India's stand on issues that impact on both India and the world. I wonder why?

"It almost reminded me of the usual performance of the Indian contingent in world olympics. A nation of a billion people being unable to produce "stars" who can hold their own with the best of other nations. The absence of an Indian spokesman on the US scene to present India's point of view on the Mumbai massacre reflects very poorly on the image and prestige of India. Are India's Ambassadors also appointed like our Presidents usually do, viz., appoint their cronies and political campaign contributors!"

**"As safe as your child
in your arms"**



For about 10 lakh depositors, **HDFC also means 'SAFE'.**
Come... join a tradition of trust.

▲
**AAA - Highest Safety Rating
from CRISIL & ICRA**

▲
10.30% pa

**annual income plan for 20, 30 & 45 months
(0.25% pa more for Senior Citizens)**

▲
Assured returns and liquidity

Contact HDFC Deposit Agent or
our nearest Branch.

MUMBAI : 6754 6060

Toll Free: 1-800-22 2022
(From BSNL & MTNL Phones)

HDFC
DEPOSITS
WITH YOU, RIGHT THROUGH

HDFC Trust Deposits is a specified investment under Sec. 11(5)(ix) of the Income Tax Act, 1961.

● This abridged advertisement appears further to the statutory advertisement published by the corporation on June 14, 2008 in the Business Standard and Sakal - Mumbai. ● All the particulars as required under Rule 3 of Non-Banking Financial Companies and miscellaneous Non-Banking companies (Advertisement) Rules, 1977, are contained in the application form.

The World Economic Crisis - An Interpretation

Sharad Bailur

And then Saddam Hussein spoilt the party. He threatened to have his oil exports valued in Euros rather than Dollars.

Someone asked me if the world was going back to Marx. It is not. He said Marx was not wrong. He was.

It is John Maynard Keynes who was not wrong. After all it was Keynes who defined depression and prescribed a cure for it: Public spending in infrastructure. The Americans followed the Keynes mantra to get out of the 1929 depression as late as 1955 when they got down to spending massively on their nationwide road building project.

Why did it take them so long? The "capitalist ethos" of the US governments of those days did not countenance the possibility of "government spending" - it sounded "Communist". And that was a word of abuse in the US. It still is. Yet a lot of public spending got done for the war effort. And that provided jobs for a large number of people. The kick-start process started at that point. After the war, the US was persuaded to go in for massive grants-in-aid to restart the European economies devastated by the war - it was called the Marshall Plan. It therefore took the US Government ten whole years before it came up with a plan to spend on infrastructure within the US that would really push the process of recovery forward - a system of national highways, in 1955. Once that got done they never looked back.

Later American economists

who were more rightist, there is no dearth of them in the US, pooh poohed Keynes because Keynesian prescriptions did not have a complete answer to "stagflation" - stagnation in the face of inflation. They suggested prescriptions from another Economist the American Milton Friedman - use the monetary route.

That is what the Americans were doing all along, till this crash occurred.

Back in 1993 I had written an essay titled, "The Great American Bubble". It was published in *Freedom First* in its June 1994 issue. In that article I had said that the way the US government was spending it would bankrupt itself within a three years. This was in 1994. I quote from my own article:

"It might appear to some that with the passing of the GATT agreement recently, the United States has a lot to gain. It does not. It has had to give in on a lot of detail in the small print and hopes to make up with things like intellectual property rights. But other countries have not agreed to fully free trade since they have a lot to lose. What others want is that the US should continue with its low or non-existent barriers to enable them to sell their goods in the US, while simultaneously protecting their own markets from foreign competition. In persisting with the policy of free trade, with NAFTA and with GATT the United States

is willingly impoverishing itself entirely to the benefit of other countries. The government debt today is 4 trillion dollars and rising at the rate of 6 billion dollars a month. In three years or less the United States Government can bankrupt itself because the national debt will rise, at the present rate to more than \$6 trillion at which point the government will find itself unable to pay even the interest on the bonds it has floated."

I was wrong. It didn't bankrupt itself. In fact the prosperity of the US grew at an astounding pace. I later discovered why. Back in 1946 at Bretton Woods, and on several later occasions the constant problem of valuing international trade in a single currency was discussed and no conclusions were ever reached. A system in which the US dollar would be the reserve currency subject to its being pegged to the price of gold at \$33 to the ounce was put in place. Meanwhile, with the war over, two things happened simultaneously: One, international trade increased rapidly. That meant that the US would have to part with dollars to lubricate the trade. If the quantity of gold with the US did not increase, the quantum of reserve currency in the international system continued to remain constant. That would increase the price of the dollar against other currencies, which was not liked by the US since it made its exports expensive to foreign buyers and therefore uncompetitive. When American

dollar hegemony waned in the 70s and the Yen along with European currencies started getting stronger, the problems were compounded since none of them was pegged to gold, Britain had gone off the gold standard as long back as 1931 and the Sterling Area was a thing of the past. They even tried a system called SDRs or Special Drawing Rights but even that did not work. The dollar was eventually depegged from gold. These problems continued to dog international trade right through into the 1980s.

The International Monetary Fund and the World Bank set up after Bretton Woods had suggested that individual nations should deposit with it a certain amount in freely convertible currencies that was equivalent to a certain quantum of their trade based on their own yearly figures. This would have worked for the rich nations. It did not for the poor ones – including India because we had an extremely skewed balance of trade. We were importing far more than we were exporting.

Hence the WTO after decades of wrangling. At this point the US understood all too well that the WTO arrangement of lowered barriers to trade would work fine only so long as those nations who imported American goods brought down their barriers. There is, to this date, a huge amount of pressure brought to bear upon India for example to lower its duties on the import of agricultural produce – particularly rice. The latest round of talks in Dubai failed precisely because we refused to accede to such requests. The problem of devising a currency in which international trade would be valued continued to be increasingly difficult to solve till something new clicked into place, almost all by

itself.

The Arab countries formed an oil exporting cartel called Oil Producing and Exporting Countries (OPEC). Most of the oil producing countries except the Soviet Union were under American influence. Libya was perhaps the sole exception. But Libya did not produce much oil.

Sensing an opportunity the US persuaded OPEC to value its oil exports in US dollars. The OPEC agreed essentially because its largest trading partner was, and to this date is, the US. Besides the US dollar has had a history after Bretton Woods, of being an international reserve currency. The Euro was then still a distant gleam in the eye of its inventors. There was no other alternative. With OPEC agreeing to value the trade in oil in US dollars, the dollar became the *de facto* currency of international trade more by default than by design. Once that happened the US found that it could buy anything in the world and pay for it merely by printing currency notes to order because it would not affect internal inflation - it would go to lubricate international trade. The American international trade deficit is the result of this phenomenon.

And then Saddam Hussein spoilt the party. He threatened to have his oil exports valued in Euros rather than dollars. He was ridiculed by the *New York Times* and the *Wall Street Journal* because the value of the Euro was then falling against the dollar. In fact the Euro fell to as little as 80 cents. But he persisted with this mad-cap scheme. Not to be out-“Satanned”, the Iranians said they were examining a similar possibility. This meant that the Euro could gain strength and eventually be a competing currency for international

settlement. It would also mean that the US would be denied over time the privilege of paying for its imports in dollars. This tipped the scales against Saddam and the Americans invaded Iraq. Once Iraqi oil exports were back in the dollar camp, the “lubrication of international trade” became more slippery than ever as the dollar continued to lose value. The fact that even the Indian rupee rose to Rs. 39 to the dollar was just one small indication of this.

Of course, one of two things could happen in the long run. Either all those dollars doing duty as international currency would come home to roost like so many chickens in an enormously noisy coop, and the uncontrollable inflation could cause the collapse of the US economy like a pack of cards; or their flow into the US had to be regulated to ensure that they did not cause a domestic disaster. The US government chose the second alternative.

So long as international trade increased, the flow into the US of its own dollars was controllable, because they were being used elsewhere. But the quantity of dollars on the international circuit continued to go up and this started to put pressure on their value against other currencies. As a result the flow into the US of dollars was used to offer cheap money to banks to lend to its borrowers. Ordinarily this should have ushered in an economic boom. But the US economy was already flush with money. The rates of interest, that were already depressed by the gilts floated by the US government, were further depressed by this inflow.

Slowly the dollar trickle back into the US started to assume menacing proportions threatening

inflation in this election year. With too many dollars floating around, the US Federal Reserve was forced to tinker with its Prime Lending Rate a number of times to keep inflation at bay. But it meant that dollars continued to flow back into the US in an ever-increasing flood and cheap credit was available.

As a result American lending agencies like Fannie Mae and Freddie Mac were forced to package their loaning in new "innovative products". These included silly schemes like lending to those who had no means to repay – the NINJAs (No Income No Job Accounts). This lending was, from the Freddie/Fannie point of view done against the safest of security – immovable property. But the borrowers had not borrowed with any intention to repay. This led to foreclosures in which the lending agencies seized assets the

borrower had bought most of which were houses. And then the financial institutions started selling those houses at the price the market would bear. As a result the price of real estate collapsed. That was the sub-prime crisis. That took Freddie Mac and Fannie Mae down with it.

But in order to lend to the NINJAs these two agencies had borrowed their money from other financial agencies. Among them were bigger institutions like Lehman Brothers who had lent them money. Lehman Brothers collapsed under the weight of the loans that it had given out to such institutions, but then the famous house of cards effect was in full swing. Unfortunately when the US sniffs, the rest of us develop double pneumonia. We did.

Is there a long term perma-

nent solution? Perhaps not – till nations continue to follow 'me first' and 'beggar-thy-neighbour' policies. If the WTO is meant to ensure free trade a similar world organisation is perhaps needed to regulate economic phenomena across national boundaries. This is not as fanciful as it might sound. We have led the way. India is a vast common market. The Europeans now have a common market and a common currency. Once something along those lines can be ensured for all members of the United Nations across all borders it will be possible to regulate and avoid the "chaos effect".

But as things stand it is still a long way into the future, if at all.

MR. SHARAD BAILUR is an author, a freelance journalist and a member of the Advisory Board of *Freedom First*. Email: sharad.bailur@gmail.com

Welfare Capitalism in the United States

Modern capitalist states are all welfare states. Enormous bureaucracies have been created to tax the rich, regulate business, provide subsidies and special schemes to the needy, thwart environmental harm and health hazards and so on. The list is long and keeps growing.

It could not be otherwise in democracies. Contrary to Marx's assumptions legislators get elected by catering to the masses, even while taking money from corporations. Legislators constantly create new rules and regulations to protect consumers, retirees and other vote banks. Hence the US has become a land of rising red tape.

Between 1970 and 2006, the number of pages in the Federal Register (which lists all regulations) shot up from 20,036 to 78,000. The number of regulators in the service of the Federal government rose from 90,000 to 241,000. In the first six years of the George W. Bush era (2000-2006), the number of pages of regulations increased by over 10,000, and regulators by over 65,000.

This is galloping socialism, often criticised as bureaucracy run amok....So much for the myth that the US is a heartless capitalist ogre. In fact it combines capitalism with welfarism and often tilts toward the latter when the two conflict.

Since US politicians get elected by constantly promising to save citizens from pain, they have now saved citizens from corporate bankruptcies that would threaten the whole economy and throw millions of lives into disarray. This is no more than an extension of the safety net principle.

Swaminathan Anklesaria Aiyar, excerpted from his column 'Swaminomics', *Sunday Times of India*, September 21, 2008

Self-reliance : the keynote of our independence

Long before we won our freedom, self-reliance was the goal of those of our people who could think for themselves and shed the shackles of dependence: men of foresight and determination, like Ardeshir and Pirojsha Godrej, who had confidence in the country's capabilities and shared the same ideals with Tilak, Tagore, Gandhi and Nehru who practised self-reliance.

In Godrej, self-reliance has been considered indispensable to progress, the aim being not just self-sufficiency for the or-

ganisation but for the whole country. Progress can only be achieved in a milieu of progress.

Based on our country's needs, and exploiting the country's own resources, Godrej have diversified.

Made to international standards and backed by continuous technical innovation, their products range from locks and security equipment, machine tools, forklift trucks, architecture and furniture, typewriters, refrigerators, computers and electronic business

systems as well as soaps, detergents, toiletries, chemicals, animal feeds, agro-products and edible oils.

The Godrej industrial garden township at Vikhroli-Pirojshanagar is an example of self-reliance and progress. For their workers Godrej have provided—in a unique environment—many social benefits: extensive housing, schools and adult education, recreation, medical and family-planning benefits...

Self-reliance is both a means and an end.

For Godrej it is the essence of independence.



Point Counter Point

Ashok Karnik

Every issue has at least two sides. A wise man 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.

Need For Restraint

1) It required the Union Government's intervention to get the loudmouths in the police all over India to shut up. The Union Home Secretary had to address a letter to all Directors General of Police (DGPs) advising them not to allow their officers to reveal investigation details to the media. It has become a practice for the police to hold press conferences every time a sensational case is investigated and a seeming lead is discovered. Every police officer, from a Sub Inspector to the DGP seeks his 15 minutes of glory before the cameras to give out tantalizing details of the investigation to the media, which is hungry to lap up everything and add its own twist to keep the story going for the next few days. The pressure of producing results and the need for self-glorification push even senior officers to reveal 'findings', which may turn out to be wrong later. This happened in the Arushi murder case (NOIDA) and several bomb blast cases lately. Speculative pronouncements damage reputations irretrievably but news channels could not care less as long they get their exclusive stories. The stories over 26/11 have yet to start but the hunting season is on and we will not have to wait for long before victims are lined up.

1) The sudden explosion of the "Breaking News" phenomenon is justified in the name of the people's right to information. News channels have not cared to study the implications of uncontrolled dissemination of unverified reports, half-truths and outright untruths. Since the bomb blasts in Jaipur, Ahmedabad and Delhi (May-September, 2008), the police disclosures have assumed legally embarrassing proportions. Different state police claimed, one after another, to have found the mastermind behind all the blasts, creating doubts about the previous claim. People do not know whom to believe. Which is the real mastermind? Obviously this weakens each court case. Since the Malegaon blast in September 2008, there is a daily dollop of disclosures about narco tests, confessions, laptop records etc. The common man is confused as to which is the police version and which is mere speculation of TV channels. News Channels go to town holding heated debates on revelations that are still mere hypothetical possibilities. It is true that people are curious and need to be fed their daily gladiator. Police must regard crime investigation as their primary function and not allow themselves to be used as information bureau. They need to observe restraint as advised by the Union Home Secretary and news channels should be guided by a sense of responsibility in announcing the "breaking news". Let them not mislead people under the guise of doing their sacred duty of keeping the people informed. If we believe the recent breaking news, one day the RSS is guilty of spawning terrorists; the next day RSS leaders are the targets of the very same terrorists. Conversely, the RSS defends the very people who are trying to kill its leaders. One day the Anti Terrorist Squad (ATS) is the darling of the media for brilliant investigation; the next day, they are the worst blunderers. Amidst such confusion, the ISI of Pakistan must be watching with glee.

The situation was slightly better after 26/11, as fewer police interviews went on air. Even then so-called disclosures made by the arrested terrorist may come to haunt the police later. Terrorists are trained to give confusing and contradictory information to mislead the interrogators. To tie investigation down to broadly publicised half-truths can harm a court case.

Bureaucracy At Its Best!

2) Bureaucracy is at its best in announcing solutions to problems. There is no problem the bureaucracy cannot solve theoretically. Come earthquakes, floods, cyclones,

2) This should remind security analysts of Rajiv Gandhi's more meaningful directive in 1988, that Intelligence agencies in India should not be police-centric and must include the best talents from all fields. He gave a year's time to complete this exercise.

communal riots, famines, the babudom is ready with solutions. Grandiose plans for financial packages for every eventuality are put in place. Even more difficult tasks of reorganising established set ups to meet new challenges are never beyond their reach. This comes to mind because the PM announced at the Conference of the Directors General of Police at Delhi (November 23, 2008) that a Task Force chaired by the National Security Adviser should come out with a roadmap within 100 days detailing steps to be taken to set up a Net-Centric security architecture. Very impressive idea that means nothing to anybody! After 26/11, a lot more announcements were made. Everybody is happy that the Government plans to do something. Nobody has the patience to wait for the results.

Nothing has come out of a very sound idea till date. "Net-Centric security architecture" is not expected to do any better! In the case of mere financial assistance to calamity hit areas, the announced packages cannot be expected to do much, given the tortuous journey involved. Bureaucrats remain happy that they have evolved a solution; it is not their responsibility to see if the problem is actually solved. We are thus rich in brainpower and poor in achieving results. Let us see what happens to the determination to punish every perpetrator of the 26/11 carnage in Mumbai. We have hit a roadblock in Pakistan already. Other plans like formation of NSGs at four different places, establishment of a Federal Investigation Agency are mere plans. Their effectiveness would be tested after these are formed and go through a crisis. Mere intention to do something should no longer be acceptable to an injured nation.

While the Maharashtra Navnirman Sena fumes over the entry of outsiders into Mumbai, at least 40 candidates contesting the assembly polls in Chattisgarh this time are Maharashtrians.

Neelesh Mishra, HindustanTimes, November 20, 2008

State Elections

3) Results of elections in five of the six states that went to polls in November – December are now available and the last results from J&K will come at the end of December. This was declared as the semi-final before the great contest next year for the Lok Sabha. The results gave no idea of the inclination of the voters country-wide. The Congress held its ground in Delhi and gave a jolt to the BJP in Rajasthan. The BJP held on to MP and Chattisgarh. The Congress fared better than the BJP but there was no clear winner. The fact that elections could be held in J&K with a large voter turnout is itself a victory for Indian democracy. The gun could not prevail over sanity.

3) The Mumbai attack of 26/11 did not make any impact even in an urban area like Delhi. The anger in Mumbai against politicians of all hues did not manifest itself in these elections. What seemed to matter was development or lack of it. The Congress retained Delhi because of the visible progress the city has made; otherwise, the urban anger should have consumed it. Will the satisfactory results encourage the Congress to hold early Lok Sabha elections? Who knows? Toss a coin and see if you can predict.

While Kashmiris frequently stage political protests, few raise questions of governance. We need hot water in winter. We need electricity so our children can study. We want to watch TV, said Haseena Bano, 32, wearing a traditional pheran (tunic) and a scarf around her head. Don't you need azaadi, a bystander teased. We don't need azaadi vazaadi, we need a transformer, she snapped

Neelesh Mishra, Hindustan Times, November 20, 2008

Readers are invited to send in their points of view on serious issues of the day to avkay@mtnl.net.in

Encouraging Yet Worrisome

It was great to see the rich and powerful of Mumbai out on the streets. So when I saw them outside the Gateway of India, I was very pleased. But at the same time I was disheartened that it took such a massive terror attack to awaken them politically. And I was also disturbed by the criticism towards the entire political process.. extremely worrying... were signboards reading "Bomb Pakistan" and "Army rule is better than political rule". What people have to understand is if they wish away politicians in a representative democracy, they will have rulers who are not a reflection of the people.

Milind Deora Member of Parliament representing the constituency where the terror attacks took place;
The Indian Express, December 11, 2008

Come On, Liberals: Let's Change India!

Building a Monetary and Financial System for a Free Society

Sanjeev Sabhlok

Despite being founded under the banner of liberty, America has never been completely free.

For a wealth-destroying event of the magnitude of the global financial crisis (GFC) to have taken place despite celebrated economists running Western economies tells us that 'standard' economics has failed at a most fundamental level, like theories which said the earth is flat. Instead, the ideas of thinkers like Ludwig von Mises and Friedrich Hayek (the economics Nobel prize winner of 1974) of the Austrian school of economics, who repeatedly warned about the dangers of state-induced distortions in money markets, have been fully vindicated.

Unfortunately, the economics taught today continues to ignore these great economists' insights. Current economics is more inclined to side with Marx who dreamt of state-controlled credit in the hands of a national bank. It is time the world asks these 'standard' economists the blunt question: why must free societies have Marxian central banking?

Unfree Financial Markets

People exchange goods and services in the free market at a mutually agreed price. The unit and medium of exchange, money, is also created by these markets. For instance, notes issued by private banks in medieval Europe, being commitments to pay specified amounts of gold to the bearer of these notes, were readily accepted

as money. This system of money creation and banking, based on the 'gold standard', arose spontaneously from freedom.

However, in 1694, the British government, in financial distress, found a convenient way to produce money from thin air by giving sole rights to produce money to the newly established (private) Bank of England, and receiving an advance of £1.2 million in return. This anti-competitive distortion of previously free money markets became very popular among later governments. Some enlightened governments did allow free banking for a while: For instance, in Sweden between 1830 and 1902. Indeed, this (Swedish) free banking episode eliminated booms and busts and dramatically reduced bank failures.¹ But Sweden soon abandoned free banking because it demands great discipline from governments which would rather follow Robert Mugabe's inflationary footsteps, instead.

The free market also ordinarily determines the price of money, which is the interest rate that this money commands in a competitive marketplace. This market-based interest rate perfectly matches the society's time preference of consumption. But central banks are established exclusively to interfere with this free determi-

nation of interest rates by distorting money supply and fixing the price of money. Naturally consumers and entrepreneurs are confused in these economies.

We can see why Americans save so little and borrow so much. By deliberately preventing the time preference of society from being disclosed through the market, and by (often) forcing interest rates to fall below their market rate, people are motivated to consume more and save less. Sensible persons won't save when their savings don't earn much interest or even earn a negative interest after inflation and taxes. They would rather borrow at low interest rates and consume in excess. Americans are quite rational; it is their politicians and central bankers whose heads need a check up.

Betrayal of Freedom

Like other socialist planners, central banks are prone to imagine that the solutions to the world's problems lie inside their presumably super-intelligent but in reality deeply flawed and ill-informed brains (we are all similarly endowed: that is the basic truth about human frailty). Fatal conceit afflicts them as they try to 'fine tune' the economy by randomly tinkering with money supply and its price. Alan Greenspan (whom the great philosopher of freedom, Ayn Rand, erroneously considered

as her disciple) wrote in the 1960s that the US Federal Reserve (Fed) had 'nearly destroyed the economies of the world' in the 1920s, and that 'a free banking system stands as the protector of an economy's stability and balanced growth'.² This was, no doubt, good thinking.

But strange things happened between 1987 and 2006. As Chairman of the Fed, Greenspan changed colours. Not only did he not liberate the money markets, he kept interest rates artificially low, particularly between January 2001 and June 2004. Had he recalled the Austrian trade cycle theory³ (which Ayn Rand endorsed) he would have realized the great dangers of administering the price of money. His artificially low interest rates persuaded entrepreneurs worldwide to build things like houses and car factories in great excess, leading to the same over-investment that led to the roaring 20's and thence to the Great Depression. Greenspan thus did exactly what he had earlier decried. Freedom was betrayed by the man once considered its great votary. It is now time to stop this stupidity of having a controlled product (money) in otherwise free societies. Central banking, the illegitimate child of mercantilist monarchs and communist utopians, must be abolished. We must get free banking, instead: based on the gold standard.

US Government's Socialist Interventions

These massive failures of the Fed were greatly exacerbated by American welfare socialism. Nationalised Fannie Mae was created in 1938 to funnel federal funds into home loans, artificially boosting the demand for housing. It was (notionally) privatised in

1968 but remained guaranteed by the US government. Freddie Mac was later created in 1970 to allegedly provide Fannie Mae with competition. American welfare socialism worsened with Jimmy Carter's 1977 *Community Reinvestment Act* which required all banks to give loans to people without income or on low income, overriding good lending practices. Fannie Mae and Freddie Mac (FMFM) were thereafter 'leaned upon' by successive US governments to buy the sub-prime mortgages issued by banks. Then started what can only be (in polite terms) termed as government-supported fraud. FMFM started guaranteeing sub-prime loans issued by Bear Stearns and also directly sold such debt to foreigners.

Catching and punishing those who make false or misleading claims about a product is a primary function of the government, but the US Office of Federal Housing Enterprise Oversight (charged with supervising FMFM) did nothing to block these falsehoods. Activities of a similar nature were also unfolding in the private marketplace in relation to financially engineered products. For instance, Credit Suisse Group Sellers misled markets about the risks of its securities by touting the AAA ratings it got (bought?) from Standard & Poor's. Self-regulation dramatically failed in the financial sector.

In addition, urban planning laws in many parts of the USA prevented urban boundaries from expanding even though thousands of new housing loans had been issued. This caused house prices to skyrocket. All these bad policies, together with low interest rates, fuelled a major housing bubble

which has now burst. The main lesson we can draw from the GFC is that economic booms and busts are *always* created by government interference, mismanagement, and incompetence; *not* when markets are free and held to account.

I fear that worse things may be in store for the USA, including the possible collapse of the US dollar by about 2018 given its massive unfunded social security and medicare obligations (the only way to save USA would be for other countries to follow even worse policies!). After destroying and socialising its financial system, the USA government has now started throwing its taxpayers' money at failing companies. In a free society each business or company must take responsibility for its own decisions; if it becomes insolvent it must declare bankruptcy as part of its accountability. If any value is still left over, private investors will buy it out. Using taxpayer funds to bail out companies that no one wants to touch, amounts to theft of taxpayers' hard-earned money. Also, by rewarding incompetents, it creates disincentives for prudent management.

Lessons for India

Despite being founded under the banner of liberty, America has never been completely free. But its badly regulated money and financial markets, coupled with its socialist response to the GFC, shows that it is no longer fit to talk about freedom. This makes it even more important for India to show the way.

India's Reserve Bank should get out of the business of creating money and fixing the price of money. It should become an

(Cont'd. on p.39)

Of Wars and Warriors

Furdoon S. B. Mehta

"When you go home, tell them of us, and say for your tomorrow, we gave our today."

This year marks the 90th Anniversary of the end of the World War I. That war was the bloodiest, most costly the world had ever known. Nine decades have passed since the guns fell silent in Flanders Fields to end the Great War – the war to end all wars – as it was once hoped.

Twenty years after the 1918 Armistice came World War II, and beyond that many more wars which blighted the 20th Century. Those who served and fought in these subsequent wars didn't however do so in vain. They did so for the ideals and values which inspire us to this day. We are here to pay tribute to all those who lost their lives in those wars. May I read out the words carved on the epitaph in the war cemetery of Kohima (the capital of Nagaland in North East India), the scene of one of the bloodiest battles of the Burma campaign in 1944. It reads, *"When you go home, tell them of us, and say for your tomorrow, we gave our today."* May their souls rest in peace.

India raised the largest volunteer Army of 2.4 million in the 2nd World War and fought alongside the forces of Britain, Canada, Australia, New Zealand, South Africa, East and West Africa – and fought with distinction in Eritrea, North Africa, Sicily, Italy and Burma. 4800 gallantry awards and other meritorious decorations including 31 VCs (Victoria Cross) were won by the Indian

Forces – the highest of any country. The British Imperial Forces stood alone as a Rock with Britain and fought valiantly throughout.

It was generally agreed that Field Marshal Sir Claude Auchinleck proved to be the best Field General of all the British Generals and the one who laid the foundation for the epic victory by the 8th Army at El Alamein on 23 October 1942 in the Western Desert, which victory turned the tide of war against the Axis Powers.

Whilst Auchinleck was the C-in-C Middle East, he left his HQ in Cairo and took personal command of the 8th Army in the desert – and fought Rommel by day, and Winston Churchill by night – answering his long and silly telegrams.

The War against Germany ended on 8 May 1945 and against Japan on 15 August 1945, after America dropped two nuclear bombs on Japan, which shortened the war and saved millions of lives had the war against Japan continued.

It is interesting to know the cause of the 2nd World War. It was due to the so called Peace Treaty – the Treaty of Versailles signed on 11 November 1919, *not* because of its severity, nor for its lack of wisdom – but because it violated the solemn terms of the Armistice set out by the American President Woodrow Wilson which were

agreed to by the Germans – after which drafting of the Peace Treaty was left to the French Premier Clemenceau appointed jointly by the Allies to draft the Treaty.

Of the 14 points set out by the American President which were agreed by the Germans, only 4 points appeared on paper at the time of signing the Treaty. The rest were changed during crafty drafting by the best sophisters under Clemenceau, that even President Wilson was deceived. This was in spite of the warning by Lloyd George not to be hard on the Germans. The poor Germans had no alternative but to sign as Germany was starving, and was on the verge of a revolution. They neither forgot nor forgave the victors.

I commend you to read the "2nd World War 1939-45" by Maj Gen J. F. C. Fuller CB CBE DSO 1st printed in 1949, which became the textbook in schools of warfare in many countries. By the way, his earlier book on "Armoured Warfare" written in the 1930s for the British Army became a textbook for the German Army who used his teachings and put them to devastating use in their campaigns in Poland and France, and against Russia in the early years of the War.

Before I turn to the recent War, when NEFA was invaded by the Chinese in October 1962, I would commend every Indian to read two books, one by Brig. John Dalvi *"The Himalayan Blunder"*

where he vindicated the reputation of the men he commanded in 7th INF BDE and the other "*India, Tibet & China*" by Ajay Agrawal which covers the period from 1947 to 1962 where Dalvi's brigade was decimated by the Chinese who came in force (estimated at 30,000–50,000 troops). Both books are extremely well written, and clearly show up Prime Minister Nehru as responsible for all the follies.

A note on the dust cover of the book by Ajay Agrawal reads as follows:

"How Nehru did irreparable damage to India's and Free Tibet's interests by his irresponsible and manipulative behaviour: How a World renowned army was turned into a spineless force by him by the time of the 1962 Indo-China War!

"Nehru : A Messiah who failed"

I'll leave you to read, and come to your own conclusions. This book gives extensive quotations from Parliamentary proceedings.

I want to tell you a story that has never been printed. In 1942 during the Quit India Movement by the Indian National Congress, the British Indian Government had placed Mahatma

Gandhi "under house arrest" but treated him well in the Aga Khan Palace in Poona. The Government appointed one Colonel Nariman Mehta of the IMS, my paternal uncle, to look after him. Mahatma Gandhi and Col. Nariman got along exceedingly well. Whilst "under House Arrest" Mr. Mohammad Ali Jinnah, Leader of the Muslim League, who was a friend of the Mahatma, used to visit him very often. My uncle was always present when any visitor came to see Mahatma Gandhi.

At that time, Jinnah was not propagating the idea of partition, and he once confided to Mahatma Gandhi that he would like to be the first Prime Minister of free India. After Nehru was released Mahatma Gandhi called him to the Palace and said "Let's make Jinnah the first Prime Minister of India – he hasn't long to live, and after that you can have a field day. That way we would avoid the partition of India". Nehru was most adamant and stubborn, and insisted on being the first Prime Minister. Had he agreed with Mahatma Gandhi, India would have remained united, not partitioned, and would have been a military force to reckon with in the East – and the unbelievable communal bloodbath of 1947 may have been avoided. Besides the Army of India would have been strong and united, and it is more than likely that China would not

have attempted to occupy Tibet – as an undivided India would have been talking from a position of strength, and we would have had a peaceful Himalayan Frontier from Ladakh to Burma.

In 1950 Nehru acquiesced in the Chinese occupation of Tibet and undid all the strategic advantages acquired by the then Viceroy, Lord Curzon when he sent a mission to Tibet under Col. Francis Younghusband with a strong escort in 1903-4 to make Tibet a friendly buffer state against the designs of China and Russia. Younghusband managed to get a Treaty signed on most favourable terms.

Nehru undid all the good work of Younghusband by giving up our favourable treaty rights as he considered he did not have to follow the designs of British Imperialism. Nehru with all his Oxford education clearly had no grasp of military strategy.

It is indeed sad and shameful when we soldiers lay down our lives *not* for the betterment of our country and our people, but for the egos of politicians.

Brig. (Retd.) Furdoon S. B. Mehta's Address at the Remembrance Day Memorial Service on Sunday, 9th November 2008 at the Afghan Church, Colaba, Mumbai.

Russia in Reverse Gear?

Former KGB henchman Vladimir Putin used to help persecute Christians, but now the government he commands is courting the favour of the faithful by moving to ban *South Park*, the outrageously obnoxious cartoon satire. Russian authorities claim the program "offends the honour and dignity of Christians and Muslims alike." .. To be sure, *South Park* is a trivial matter compared with the invasion of Georgia, throttling of the press and murdering of critics that have characterised Putin's regime. But much of life is made of small things: After the fall of the Berlin Wall, liberated East Germans reported that they knew the world had changed because oranges suddenly were available year-round, whereas before they had been available only at Christmas, not that anybody was encouraged to notice it was Christmas. It is a shame that Russians who have only briefly tasted the fruits of freedom – the sweet and the bitter alike – should be backsliding so quickly into stagnation.

National Review, September 29, 2008

The Tibetan Resolution

Tenzin Tsundue

Whatever we spoke for was all for the freedom of Tibet and our main concern was for our brethren inside Tibet who are living under Chinese occupation. The exile government and the people will now be more active in our non-violent struggle and stop being conciliatory.

The Tibetans recently took a major decision in their 60-year freedom struggle by re-adopting Independence as the alternate goal of the freedom struggle. The decision taken at the "Special Meeting" called by the Dalai Lama himself in Dharamsala the capital of the exiled Tibetans situated in the North Indian state of Himachal Pradesh was a historic one though its nuanced importance is little understood outside.

I was one among the minority participants both by being a youth and my political stand - demanding independence as opposed to the majority who keep independence in their heart but speak for autonomy as professed by His Holiness the Dalai Lama. The 560 delegates from refugee camps all over India and 19 other countries along with more than 17,000 opinions from inside Tibet made this the biggest-ever Tibetan conclave to discuss the future of Tibet.

This year's Tibetan people's uprising, the violent clampdown by the Chinese government, and the failure of the dialogue process for the much hoped for "Genuine Autonomy" made the Tibetan leader call this gathering using his power as the head of state according to article 59 of the charter of the Tibetan government in exile.

The agenda before the meeting held between November 17 and 22 was to discuss "The Tibetan cause in the light of recent urgent crisis in Tibet and the international

scenario." It expectedly boiled down to the usual debate between *Rangzen* (Independence) and *Umey Lam* (Middle Path). And, as was expected, while reason was on the side of *Rangzen*, the majority was with the Middle Path. The Dalai Lama asked the Tibetans to discuss with an open mind. This debate can be compared to the debate between the proponents of "*Poorna Swaraj*" and those who were satisfied with "Home Rule" during the Indian freedom struggle. As the date of the meeting drew nearer the Dalai Lama added more to the confusion by saying that he was losing trust in the Chinese government, though he still trusted the Chinese people.

The meeting was going to be a true test of Tibetan democracy, the only baby the Dalai Lama has been nurturing since 1960 after coming into exile. Would the Tibetan people go with their leader or vote for a solution with their own mind? Seeing a dead end I went to the Speaker of the Tibetan Parliament in Exile and the Prime Minister and also sent a message to His Holiness (since my request for an appointment with him had been rejected), to clarify his stand, otherwise the meeting would end up giving another round of applause to His Holiness, and everything would go back to square one. My intention was that people should be freed from the obligation of having to support the Middle Way policy because of His Holiness.

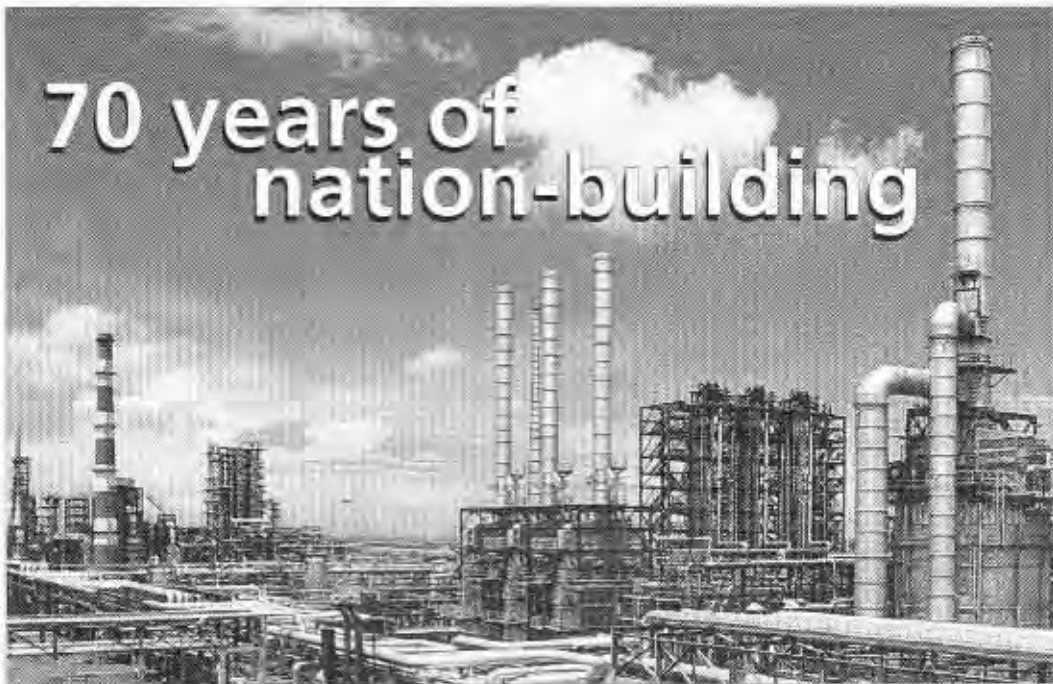
As delegates started arriving

in Dharamsala from different places, it was like a family gathering; my former teachers from school, classmates and familiar faces drove up the hill in jeeps, buses and some even arrived by air. More than the delegates, there were around 120 representatives of the international media who kept themselves busy catching every other Tibetan in the twin streets of McLeod Ganj for their opinions.

The 560 delegates were distributed into 15 groups after the first day's inaugural ceremony. When we talked and listened to opinions that had been collected from refugee camps most of which are in India, I realized that their opinions had been collected before 25 October, when His Holiness made the first public statement saying that his trust in the Chinese government was becoming thinner and thinner. Since October 25 many political changes had taken place: not only the statements of His Holiness but the eighth round of talks with the Chinese government had failed; even before the delegates said anything in Dharamsala, the Chinese government declared at a press conference in Beijing their rejection of our memorandum for autonomy. This led to a battle in the media with the delegates proclaiming that Beijing must own up the responsibility for the failure of the talks.

After three days of discussion, when our group met on the fourth day to compile our resolutions, our group leader, a

70 years of nation-building



Critical sections of a refinery built by L&T



The world's largest FCC regenerator built at L&T's Hazira Works



Multi-barrel rocket-launching system



One of Asia's highest viaducts built by L&T

Seventy years of leading India Inc.'s thrust into high tech engineering, manufacture and construction.

Seventy years of providing the technological impetus to critical sectors: infrastructure development, oil & gas, refineries, petrochemicals, power, steel, water supply....

Seventy years of engaging ourselves in something every one of us at L&T is proud about – building the India of our dreams.

www.Larsentoubro.com



LARSEN & TOUBRO LIMITED

It's all about Imagineering

celebrated scholar based in the US, called for a referendum. I put my foot down and strongly argued that we had not come here to compete our political stands, but to collect opinions and seek practical recommendations with which the Tibetan struggle could move forward. Then one Middle Pather quoted the guidelines of the meeting requiring every resolution be passed either by unanimous judgment or vote by majority. Now the problem with democracy is that the minority is less than equal, and therefore has nowhere to go. A young girl from Switzerland said if the people were to decide by voting she would refuse to sign the resolution.

We may have been talking methods of finding solutions but it was still a debate between Independence and Autonomy. I intervened to remind everybody that both the Prime Minister and the Speaker had said at the time of calling the meeting that there would be no voting or raising of hands to arrive at a decision and added that the meeting could not go on like this if they insisted on a referendum, as the purpose for which the meeting had been convened would be defeated.

A serious crisis was at hand. During the tea break I went looking for the Prime Minister and the Speaker. Later we all agreed to

send all the recommendations except the facile ones like making a golden throne for the Dalai Lama. When we came out I found out that most independence advocates had done the same trick and the Middle Pathers had allowed it.

When all opinions got collected, and the group leaders met to work out a final resolution, the true test of Tibetan democracy was at hand. The Dalai Lama had expressed distrust in the Chinese government but had not withdrawn his Middle Path policy. Therefore, the choice was still between the Dalai Lama's Middle Path or Independence.

Then, the exile government circulated the result of opinions secretly collected inside Tibet. Out of 17,393 people, 8,246 said they would follow whatever His Holiness says, while 5,209 voted for Independence, and 2,950 supported the Middle Path.

The Meeting resolved to follow the Middle Path as a public mandate but decided to suspend with immediate effect, sending delegations to China, as Beijing did not reciprocate appropriately to the dialogue process. If, in the short period they continued their policy of not responding to our efforts to find a negotiated solution, we would reinstate Independence

as the goal of the Tibetan struggle and demand the right of Self Determination. And it would be us who would determine what that "short period" would be.

The eight-point resolution received five standing ovations and brought tears in the eyes of many delegates as we rose to sing the Tibetan National Anthem, we felt once again reunited for one common cause under one leadership. Whatever we spoke for was all for the freedom of Tibet and our main concern was for our brethren inside Tibet who are living under Chinese occupation. The exile government and the people will now be more active in our non-violent struggle and stop being conciliatory. We will now be more confrontational and aggressive, but we are unanimous in our resolve in maintaining our struggle non-violent.

As the meeting came to an end the Prime Minister Prof Samdhong Rinpoche delivering a unique thank you speech said: "The Chinese government this week tried to put pressure on India to stop this meeting, and the Indian government pretended as if they didn't hear it. We want to express our deep gratitude to the people and Government of India".

TENZIN TSUNDUE is Tibetan writer and activist. he can be contacted at tentsundue@yahoo.com



Members of the Kashag (Tibetan Cabinet) seated on the stage after the Tibetan Prime Minister addressed the crowd consisting 500 odd Tibetan delegates from across the world on day one of the 6 day Special General Meeting called by the Dalai Lama. **Photo Courtesy:** Abhishek Madhukar



Samdhong Rinpoche, Tibetan Prime Minister surrounded by the media at the inaugural ceremony and the address of the special meeting. Along with him is seen in the picture, is the Dalai Lama's elder brother Gyalo Thondup looking at the chit that allocates him the group number for the six day long discussions at Dharamsala. **Photo Courtesy:** Abhishek Madhukar



VIRAT INDUSTRIES LIMITED

**A Leading Manufacturer & Exporter of
Excellent Quality SOCKS.**

Our Export Markets include UK and Switzerland.
Our socks are available in Reputed Chainstores such as John Lewis, New Look, TK
Maxx, NEXT, Top Shop in the United Kingdom and Migros in Switzerland.

Also supply socks to Levis & Dockers in India.

For Any Enquiries / Further Information, please contact us
on number 3294 4131 / 3294 4217.

VIRAT INDUSTRIES LTD.

Head Office:

605, Veena Killedar Indl. Estate
10/14, Pais Street
Byculla (West)
Mumbai 400 011 (India)
Tel : (022) 3294 4131 / 3294 4217
Fax : (022) 2307 0486
Email : viratbby@vsnl.com

Registered Office:

A-1/2, GIDC Industrial Estate
Kabilpore, Navsari 396 424
Gujarat (India)

Tel : (02637) 265011 / 265022
Fax : (02637) 265712
Email: viratnvs@sify.com

POWERING INDIA'S GROWTH for MORE THAN SIXTY YEARS

• Thermal • Hydel • Nuclear • Diesel • Gas • Wind

A Leading ISO 9001-2000 Engineering Company

Products & Services offered :

- Medium & Large Pumps
- Hydro-Electric Generating Systems
- L.T.&H.T. Alternators and Motors
- Special Rotating Electrical Machines
- H.T. Switchgear & Switchboards
- Electronics & Control Systems
- Jyoti assumes single-source responsibility for implimenting Turn-key Projects
- Jyoti Pro/ENGINEER Design Service Center offers CAD/CAM/CAE solutions to improve engineering processes



Jyoti Ltd.

Nanubhai Amin Marg, Industrial Area, P.O. Chemical Industries, Vadodra-390 003, (India)

Phones : 2280633, 2280627, Fax : +91-265-2281871, 2280671

E-Mail : jyotiltd@jyoti.com Website : <http://www.jyoti.com>

India 2009: Time for Citizens to get active in Politics *(Cont'd. from p.7)*

political establishment, but this is precisely what citizens involved in politics should strive for because only such actions can attract 'good' people to entering the arena of competitive politics.

There are many other actions that can be taken and the best compilation of these is the 170th report of the Law Commission of India which was submitted to the

government in May 1999 but the government, led by the current breed of politicians, has obviously not found any time or inclination to even think of its implementation. It is now left to citizens to create conditions where the political establishment will be forced to make worthwhile changes in the political and electoral systems, the most significant of which are internal

democracy and financial transparency of political parties.

MR. JAGDEEP S. CHHOKAR (jchhokar@gmail.com) a retired professor of Indian Institute of Management, Ahmedabad, and one of the founding members of Association for Democratic Reforms (www.adrindia.org), works, among other things, on improving democracy and governance in the country. He is a life member of the INDIAN LIBERAL GROUP.

India - A Soft State *(Cont'd. from p.14)*

agency as recommended by the Group of Ministers in the NDA Cabinet in February 2001. The UPA leadership which dragged its feet

all these years seem to have been jolted into some thinking on this after the Mumbai 26/11. How far they will do it is a moot question.

Will they revert to stupor after their assembly elections success?

MR. V. BALACHANDRAN is a former Special Secretary, Cabinet Secretariat, Government of India.

Building a Monetary and Financial System for a Free Society *(Cont'd. from p.32)*

independent regulator of a private money and banking system. Its current functions should be unbundled: coins and notes should be issued only by private banks; the lender of last resort function should be performed by private insurance companies. Reforms on these lines will disclose the market's true interest rate, and price risks transparently, thus enabling uninterrupted economic growth. Good fiscal policy would

have to accompany such reforms, including policies to minimise inflation, but I'll touch upon these related policies in a separate article.

The Freedom Team of India

India needs leaders urgently to take it to freedom. I'd like to request you to consider joining the Freedom Team (freedomteam.in) to lead India. The task is clearly becoming more urgent than ever before.

MR. SANJEEV SABHLOK can be contacted at sabhlok@yahoo.com.

¹ Erik Lakomaa, 'Free Banking in Sweden 1830-1903: Experience and Debate', *Quarterly Journal of Austrian Economics*, Vol.10 Num.2 (Summer 2007).

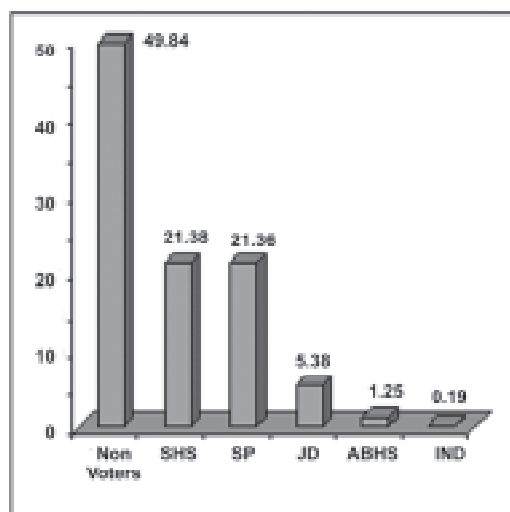
² Larry J. Sechrest, 'Alan Greenspan: Rand, Republicans, and Austrian Critics', *The Journal of Ayn Rand Studies* 6, no.2 (Spring 2005).

³ *Austrian Theory of the Trade Cycle and Other Essays*. Available at mises.org.

The Value of the Protest Vote *(Cont'd. from p.9)*

Mumbai South Percentage of Vote

Non Voters	49.84
SHS	21.38
SP	21.36
JD	5.38
ABHS	1.25
IND	0.19



With Best Compliments from

ASIAN PAINTS LIMITED

BOOK REVIEWS



THE POST AMERICAN WORLD by Fareed Zakaria ● Published in India in Viking by Penguin Books India ● Year of Publication 2008 ● Pages 292 ● Price Rs.499

Reviewed by S. V. Raju, Honorary Secretary Indian Committee for Cultural Freedom and editor, *Freedom First*.

In his 'Acknowledgements towards the end of the book Fareed Zakaria writes: "I came to America as a young man (1982), fell in love with the country and...I want the best for this country and firmly believe that American power and purpose properly harnessed, benefit both America and the world."

This book is essentially addressed to the American people, who after having championed the free way of life in general and free markets in particular, now seem to be nervous of and feel threatened by competition. A feeling sharpened by 9/11. After all Osama crossed the Atlantic which even Hitler didn't or couldn't!

So, what the author is telling the American reader of this volume is, don't worry, economic competition is good for America; Its military machine is still the strongest in the world; don't be afraid of 'outsourcing', in the long run it will help the American economy; since immigration made the country strong don't put brakes on this policy; there is really no threat to America's power and status. What is likely is that the world is will no longer be unipolar. America will be *primus inter pares* (Lain for first among equals).

A recurring theme in this book is this fact, as he perceives it, and which he reinforces with facts

and figures that what is happening is not the decline of America but the rise of other nations like Brazil, Russia, India, China – the BRIC nations. Hence the nature of the "Post-American World" is about America's position and importance in the emerging World order. Americans will have to learn to accept the sharing of power not necessarily armed power but in the areas of the economy, culture, education and so on.

The book is well structured. The first five chapters which provide the basis for the concluding Chapters American Power and American Purpose.

In the first chapter "The Rise of the Rest", Zakaria takes us on a political economy tour of the last 500 years. Broadly he points out three power shifts during this period which reshaped politics, economics and culture. These are:

1. The rise of the West leading to "modernity" viz. in the fields of science, technology, commerce and capitalism (the agricultural and industrial revolutions for instance) in Europe which resulted to the colonisation of much of Africa and Asia. He doesn't use the word 'colonisation' but "political domination". One wonders why? Because it was more than mere domination. It was loot, plunder and exploitation of the worst kind. One has only

to glimpse through Dadabhai Naoroji's "*Poverty and Un-British Rule in India*" to understand the nature of British "political domination" of India.

2. The rise of the USA as the most powerful nation *after* Rome (one would have thought it was Imperial Britain after Imperial Rome and the US the third but without an Empire of the European kind.
3. The rise of Asia, spreading to Africa in terms of economic growth but the examples he gives surely cannot be the parameters - the tallest building, the richest man, the biggest PSU; the biggest plane etc. What about the continuing high levels of poverty, disease, poor human rights record. Most of these countries seriously lack the qualities that make for a democracy. Could it be that the absence of democracy in communist China for instance and the slower pace of growth in India proves that democracy is a hurdle? Many years ago Mrs. Indira Gandhi, after a visit to Kenya extolled the virtues of one-party rule for an under-developed, now referred to as 'developing' country. In fact some years later she experimented with that kind of a 'system' when, as prime minister, she clamped an 18-month emergency rule on India.

In the chapter, with the Biblical title "The Cup Runneth Over" Fareed Zakaria believes that we are going through the calmest period in history. "War and violence have declined dramatically over the last two decades." And, even while making this assertion, the author is aware that it will be questioned. And he has a plausible answer – blame it on television and the communications revolution! He cites studies by the Centre for International Development and Conflict Management that indicate that the "general magnitude of global warfare has decreased by over 60% since the 1980s". But because of the continuous flow of information the present nature and quantum of violence and warfare are often magnified.

Earlier, the author points out, before the days of instant information there was not much footage for instance of the two million who perished in the killing fields of Cambodia. "It *feels* like a dangerous world. But it isn't." "Islamic terror", he says which makes the headlines daily, is a large and persistent problem, but one involving small numbers of fanatics." "This struggle between governments and terrorists, will persist but it is the former who have the upper hand". Again that reassurance as if to say Don't worry. It is unlikely to happen here. Here is the bottom line. He writes "In the six years since 9/11, Al Qaeda Central – the group led by Osama bin Laden and Ayman Zawahiri – has been unable to launch a major attack anywhere" - this may apply to the USA not India or Pakistan for that matter. Thanks no doubt to the determined steps taken by the much maligned George Bush to contain terror after 9/11 and the establishment in the US of the Department of Home-

land Security and their Patriot laws.

Another reassurance is to tell the Americans that fundamentalism among Muslims is now being challenged by the "Modernizers" from within the community who are "no longer scared." The reactionaries in the world of Islam are more numerous and extreme than those in other cultures" Zakaria admits but "that world does have its dysfunctions."

Despite globalisation, or because of it, there is a rise of national fervour. "Globalisation and economic modernization are breeding political nationalism but that is so only if we view nationalism as a backward ideology, certain to be erased by the onward march of progress."

Then there are the fears of outsourcing fuelling nationalism just as we see regional parochialism within our country. Despite these fears Zakaria is telling fellow-Americans outsourcing has increased USA/Japan's growth rate. US firms lead in productivity and profits. So don't worry, be happy!

"Americans speak few languages, know little about foreign cultures, and remain unconvinced that they need to rectify this. Americans rarely benchmark to global standards because they are sure that their way must be the best and most advanced. The result is that they are increasingly suspicious of the emerging global era. There is a growing gap between America's worldly business elite and cosmopolitan class, on the one hand, and the majority of the American people, on the other. "

"Culture follows power." Just as Hollywood became what it

is because of American power, the world we are entering will look like Bollywood because of the emerging economic power of India. He pleads for an American understanding of the foreign policy and needs of emerging nations.

Don't be afraid of China or India becoming too powerful to overwhelm America and the West. Why? Because developing countries are too poor to be concerned with global order; both China and India are "not proselytizing powers and thus will be less eager to spread universal values across the globe. Neither Hinduism nor Confucianism believes in universal commandments or the need to press the faith. So for both practical and cultural reasons, both countries are unlikely to view human rights issues as central to their foreign policy."

Americans, points out Zakaria are "dazzled by bigness" – That's why the fascination with China. And then this interesting observation: "American missionaries and businessmen dreamed of the possibilities - 1 billion souls to save, 2 billion armpits to deodorize!"

"China is also the world's largest holder of money. Its foreign-exchange reserves are \$ 1.5trillion. 50 per cent more than those of the next country(Japan) and three times the holdings of the entire European Union....It is the world's largest country, fastest growing major economy, largest manufacturer, second-largest consumer, largest saver, and(almost certainly) second-largest military spender."

Nevertheless China will not replace the United States as the world's superpower nor likely to overtake the USA it on any dimen-

sion – military, political, or economic – for decades.” Until then China will, at best, be second best.

The challenge to the US is from China. While India is a natural ally. What sort of ally – not one in terms of defence or trade pacts but at the peoples’ level. The Pew Research Centre based in Washington carried out a survey in 2005 in 17 countries (including in the US) asking them if they had a favourable impression of the US. “A stunning 71 per cent of Indians

said yes. As the author points out, this despite the efforts by the then ruling establishment in India which for four decades tried to force anti-Americanism down people’s throats. Why? Because, he says, “Indians understand America”. Many urban Indians are familiar with America, speak its language, and actually know someone who lives there, possibly a relative”. Another statement he makes is equally true: Whether or not the two states sign new treaties, the two societies are becoming

increasingly intertwined.

Like his first book ‘*The Future of Freedom*’ this book too is well worth reading. He throws light on many issues which one would have thought are not directly related to the subject. One may even disagree with some of his conclusions as this reviewer was. Without pretending to be profound, he provides considerable food for thought. And this makes it a good read.



M. R. PAI The Story of an Uncommon Common Man By S. V. Raju ● Published by: Strand Book Stall, 16-C, Dhannur, Sir P. M. Road, Mumbai 400 001 ● No. of Pages: XII + 185 ● Price: Rs.100.

Reviewed by R. V. Chari, retired professor of Commerce and Management and a freelance writer.

The year was 1998, Dr. Freddie A. Mehta, Chairman of Forbes Gokak & Co. Ltd. (as known at that time) had just arrived to preside over the annual general meeting of the Company. He was closely followed by Mr. M. R. Pai, who had been inducted into the Board of Directors during the year. Though I had heard and read about the crusader, who was spearheading the consumer movement, it was the first time, I had an opportunity of meeting a very popular figure. After the meeting concluded, I had a very brief talk with Mr. Pai, which was to develop into a life-long association and admiration of a person, who had practically sacrificed his life, for the consumer movement, forsaking the facilities and advantages available to a highly placed executive. He was also the Secretary of the Forum of Free Enterprise, which was started by A. D. Shroff.

M. R. Pai was born on May 7, 1931 in Manjeshwar, a holy town

for the Gowd Saraswat Brahmins, to which he belonged. His father, Ragavendra Ranga Pai was a trader, a stockist for Imperial Tobacco Co. Ltd now re-christened as I.T.C. Ranganna as he was fondly and affectionately addressed by one and all, shifted to Chennai for his graduation studies, joining the Madras Presidency College. Opting for political science, he stood first, securing the Candeth Gold Medal in the subject. Photography became a hobby with him and he found time to play cricket, football and hockey. After working with *The Times of India* as a sub-editor for two years, he left for California, Los Angeles (UCLA), where he completed his Master’s degree in Journalism securing a First Class. In 1960 he married Gita, *nee* Jayanthi Kamath, whose family lived next door. Gita Pai herself is a very talented lady, who completed her B.A. with philosophy and sociology, procuring a gold medal from Bangalore University. Their family life was quite tranquil with the effective management of

Gita Pai. Pai became the father of a son, Shyamsunder and a daughter, Deeksha, both of whom are well qualified and proficient. Both are married and Deeksha is settled in Canada.

The entire credit of nurturing and developing the Forum of Free Enterprise could be attributed to Pai, who initiated and implemented novel methods for raising revenue for the organisation. In 1976, he gave up the post of Secretary, to assume charge as Honorary Vice-President, his reason being that the Forum should not be burdened with the payment of his remuneration. This enabled him to spread his wings by entering the corporate sector. His travels far and wide further provided an opportunity to contact many persons with whom he mingled very freely, distributing pamphlets and brochures of the Forum, through which the membership base was widened.

Apart from actively partici-

pating in all the activities of the Forum, Pai also started taking keen interest in the consumer movement. It was he who vigorously spear-headed and staunchly supported the consumer. In this respect he may be christened as the Ralph Nader of India. People thronged to him, seeking his advice and guidance, which he freely offered.

When a series of bank closures ensued, the bank deposit holders were left high and dry. They were in a quandary as to what should be the procedure to be adopted to get back their deposits. It was Pai who pro-actively took up the issue with the authorities, sometimes at the highest level to get the deposits refunded along with the normal interest due on them. Of particular interest would be the Devkaran Nanjee Deposit Scheme, the Bank of Karad (where the late Harshad Mehta was involved) and the Bank of Credit and Commerce International, Bombay branch. As the BCCI was deeply involved in underhand dealings like money laundering, arms trafficking, etc. it was jokingly called the Bank of Crooks and Criminals International! Pai took up the cases and successfully pleaded for the depositors, who were paid back their amounts of deposits along with interest. It is noteworthy to observe that this positive action of Pai resulted in over 7000 deposit-holders benefiting, by receiving their hard-earned money. It is to the credit of Pai that the system of appointing a nominee emerged in the case of bank deposits, provident fund as also in the corporate sector in regard to equity.

Pai was a stickler for time and was quite punctual. In this regard his book on Time Management is a classic.

The Piramals felt that their

ward, should be placed under the tutelage of Pai so as to inculcate good values, culture and behaviour, etc. He gladly took up this job and shaped his character which brought glowing encomiums. Similarly, the Sardas of Nashik, the well-known manufacturers of bidi, quite impressed with Pai decided to entrust Kisanlal Sarda and later Vikram Sarda to Pai for training.

Pai was deeply religious, though it was not his nature to go about trumpeting it. He was very averse to visiting the temples as also the rituals. It is quite revealing that prior to his passing away he had written a book, '*Hinduism in Daily Life*'. He was fond of reading books written by Ramana Maharishi, Yogananda, Ramakrishna Param Hamsa, and others. His favourite book was the *Bhagwad Gita* from which he used to read at least one chapter every-day.

When Pai was vigorously engaged in such beneficial activities, suddenly it was found that he was suffering from cancer. Though treatment was taken up with full vigour, he could not be saved as it was diagnosed as malignant tumour. He passed away on July 3, 2003. This was a big shock to the corporate world and also to me.

The book is written in a lucid style and contains colour photographs of Pai with family members and leading public personalities. It is very moderately priced at Rs.100/-.

I end this review with an extract from Psalm of Life:

*Lives of great men all remind us
We can make our lives sublime.
And, departing, leave behind us
Footprints on the sands of time*

Henry Wadsworth Longfellow

The Value of the Protest Vote (Cont'd. from p.9)

Public (Elections – III) Department, Secretariat Chennai 600009

Letter No. 3672/2008-2 dated : 22.7.2008

To
All District Election Officers

Sub: Electors deciding not to vote as per Rule 49(O) of Conduct of Election Rules 1961 - Display of the Rule in a notice at each Polling Station - Regarding

1.
2. However, many complaints were received in this office stating that the Rule 49(O) was not followed by the Presiding Officers/Polling Officers during elections and that the polling personnel were not aware of the provisions of Rule 49(O). A writ petition seeking action against the officials concerned who did not follow the provisions of Rule 49(O) is also pending in the High Court of Madras.
3. I am, therefore, to request you to give detailed instructions to all Returning Officers, Presiding Officers and Polling Personnel as well as display prominently in a notice at the time of the elections in each of the polling stations the provisions of Rule 49(O) of Conduct of Election Rules, 1961, so that there will neither be any confusion at the time of poll, nor any complaint in this regard.

Freedom First

Freedom First speaks for the silent majority - the majority that wants to be left in peace to pursue its goal of improving its quality of life, but has been suffering in silence, the indignities heaped on it by insensitive governments who have abrogated to themselves the right to decide what is good for the people. In the process, the whole country has been turned into a cesspool of corruption. Public morality and character have reached an all-time low.

Freedom First affirms that much of the unrest and ferment in our society is a direct result of excessive State intervention in the day-to-day lives of our people. While the people's initiative has been stifled, the economy is in shambles. The Journal believes that while India needs a strong government that ensures the rule of law what India does not need is a meddlesome government – the system so far that has led to impoverishment, insecurity and instability.

Freedom First therefore stands for minimum government and maximum freedom, tempered by a sense of individual responsibility, in which the people's genius has a fair opportunity to develop and grow.

Freedom First rejects any ideology, movement or policy that sets one group of citizens against another, be it based on class, caste, religion or envy.

Freedom First

3rd floor, Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai 400 001.
Phone: (022) 2284 3416 • email freedom@vsnl.com

SUBSCRIPTION FORM

I wish to enter a subscription to **Freedom First** and enclose my cheque* in favour of ICCF. (Please type or write in block letters).

NAME : _____

ADDRESS : _____

_____ PIN _____

* Subscriptions can also be sent by MO/DD. For outstation cheques within India, please add Rs.50 for bank charges.

Subscription	For Subscribers in India	For Overseas Subscribers (By Second Class Airmail)
☐ 3 Years	Rs.375	Annual
☐ 2 Years	Rs.250	\$20 / £ 10
☐ Annual	Rs.150	
☐ Single Copy	Rs.25	

Do A Favour
to your friends
send them
a sample copy of
Freedom First
with your compliments.

Freedom First

3rd Floor, Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai 400 001.

Please send a sample copy of **Freedom First** to the following with my compliments:

Name: _____

Address: _____

_____ Pin _____

Name: _____

Address: _____

_____ Pin _____

Name: _____

Address: _____

_____ Pin _____

Name: _____

Address: _____

_____ Pin _____

Name: _____

Address: _____

_____ Pin _____

Sender's Name & Address

Name: _____

Address: _____

_____ Pin _____



INTEGRATED LOGISTICS SERVICES

AFL is India's pioneer in offering the entire range of Supply Chain Services under one roof. From Global Freight Management and Inbound and Outbound Logistics to Warehousing and Distribution, AFL's competent team and widespread & robust network is there to support your ever-changing business needs.

With value added services such as Track and Trace, Warehouse Management Systems, Door to Door Pick Up and Delivery, Consolidation and Break Bulk, Postponement Logistics including Kitting and Bundling, Picking and Packing, Reverse Logistics including Refurbishing, Strategic Parts Management and Risk Management, we put it all together to help you integrate and extract the maximum value out of your supply chain.

To integrate your supply chain and increase your competitiveness, call our Supply Chain Specialist team by sending an email at mail@afl.co.in



Global Air & Sea Network | Customs Clearance | Warehousing & Distribution | Air & Surface Express | Bonded Trucking

www.afl.co.in