

# **Business and Politics in Muslim World**

**India**  
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## **National Summary:**

Parliamentary Affairs Minister Pawan Kumar Bansal supports the inclusion of cast in census and said there need not be any apprehension that the demand would lead to a division in society.

The Left parties on Tuesday condemned Sunday night's attack by Israeli armed forces on a flotilla of six ships carrying humanitarian aid to Gaza. The CPI(M) called upon the Government of India to condemn the dastardly act, which the statement described as both unprovoked and a criminal attack on ships carrying 10,000 tonnes of aid to Gaza, which has been under siege for almost three years now. The party said India must work actively with other countries from the non-aligned nations in the United Nations and other bodies to force Israel to lift the illegal siege. The CPI Central Secretariat said the belligerent act once again showed to what extent Israel could go to defy world public opinion and humanitarian values.

RSS is seriously concerned about their escalating image as a terrorist outfit in media and masses. The proved link of its personnel in bomb blast and terrorist activities make parties worried and it decided not to support any of its member involved in such activities. The extremist Hindu organization took this stance after continuous news of involvement of extremist Hindu outfit terrorist activities in Malegaon in Maharashtra, Macca Masjid in Andhra Pradesh, Ajmer in Rajasthan and blasts in the Samjhauta Express.

Maoists blew up a panchayat office building and a godown in 's Malkangiri district early on Sunday in an apparent bid to prevent security personnel from camping there.

To enhance capability in fighting against Maoist and Naxal insurgents central government wants states to enhance their police training capacities and recruit at least double the number of policemen and women that are being recruited, at present, every year.

As the government cut duties and stepped up public expenditure, its fiscal deficit rose by 24.89 per cent to Rs 4,12,307 crore in 2009-10 compared to the year ago period. Fiscal deficit had stood at Rs 3,30,114 crore during 2008-09. Initiating the stimulus measures to spur the slowing down economy after global financial crisis deepened, the government cut excise duty by four per cent in December, 2008. It again cut excise duty as well as service tax by two per cent in February, 2009. So higher impact of stimulus measures in the form of tax cuts came in 2009-10, which resulted in widening of fiscal deficit.

Pushed up by soaring prices of pulses, milk and fruits, the annual food inflation went up by 0.32 per cent to reach 16.55 per cent for the week ending 22 May. It was 16.23 per cent the week before.

Chinese said it is ready for “a new starting point” to improve relations with India in talks with visiting President Pratibha Patil. Chinese officials also underscored the difficulties the two countries face in their efforts to start afresh, with issues that had challenged the relationship in the past, from Tibet to trade, expectedly finding mention. Chinese officials sought “a reiteration” of India's position that it recognised Tibet as a part of China and did not permit “anti-China activities by any Tibetans resident” on the Indian soil.

Canada has regretted the use of the language that “cast false impressions” in the denial of visa to former or serving members of the Indian armed forces and security institutions and assured India that it is reviewing the admissibility policy set forth in the legislation on visa policy. This followed a sharp Indian reaction to the Canadian authorities citing reasons such as human rights violation while declining visas to Indians who were or are associated with the security and intelligence organisations.

In four days talks of Indus Water Commission, the Pakistani delegation expressed its desire to visit the 45 MW Nimoo Bazgo project near Alchi village on the Indus river in Leh district, and the site of the 44 MW Chutak hydel project on the Suru, a tributary of the Indus in Kargil district. Islamabad has raised objections to both projects. Pakistan has reservation on Kishenganga power project in Jammu and Kashmir as well, which it alleges violates the 1960 Indus Water Treaty as water would be diverted. Pakistan is said to have appointed two arbitrators to contest its case, though it is yet to formally approach the World Bank.

India, which is seeking a permanent berth in the UN Security Council, has said that expansion of only non-permanent seats does not constitute reform of the world body and demanded that membership, be increased in both categories. India along with Japan, Germany, South Africa and Brazil is seeking permanent membership of the Security Council.

India and the USA concluded their first Cabinet-level Strategic Dialogue, pledging to deepen ties between two countries for mutual benefit and global stability while committing to work to strengthen global legal regimes against terrorism. Secretary of state Hillary Clinton and external affairs minister SM Krishna pledged to deepen people-to-people, business-to-business, and government-to-government linkages for the mutual benefit of both countries and for the promotion of global peace, stability, economic growth and prosperity.

Prime Minister Manmohan Singh said no untreated waste and industrial effluents would flow into the Ganga river by 2020. “Under ‘Mission Clean Ganga’, it would be ensured that by 2020 no untreated municipal sewage and industrial effluents flow into the Ganga,” Dr. Singh said, in the Report to the People on completion of one year of the UPA's second term in office.

In a major embarrassment for the Indian army, a Lieutenant General has been forced to resign following allegations of sexual misconduct against him by the wife of an officer during a visit abroad last month.

The Government declared Indian Mujahideen as a terrorist organisation. The terror outfit, which has been allegedly involved in serial bomb blasts in Delhi, Uttar Pradesh, Bangalore and Mumbai, has been added by the Government in the list of terrorist organisation under the Unlawful Activities (Prevention) Act.

A month after being sentenced to death for the Mumbai terror attacks, Ajmal Kasab has filed an appeal in Bombay High Court challenging the verdict and sought a lawyer from the legal aid panel to argue his case.

### **Regional Summary:**

Shibu Soren resigned as Jharkhand Chief Minister after failing to get the support of Congress and its ally JVM(P) ahead of trust vote in the Jharkhand assembly. Jharkhand came under Central rule with President Pratibha Patil accepting a recommendation of the Union Cabinet after the Congress and the BJP gave up efforts to form an alternative government following the resignation of Chief Minister Shibu Soren.

Elections to 81 civic bodies across West Bengal, including that to the Kolkata Municipal Corporation (KMC), passed off peacefully on Sunday. The average turnout, involving a total electorate of more than 85 lakhs, was nearly 75 per cent. It was marginally higher in the districts than in the KMC area. The results are to be announced on June 2.

The Centre told the National Socialist Council of Nagalim (Isak-Muivah) that integration of Naga-inhabited areas would need consensus among the States concerned, as boundaries would have to be altered. The NSCN (IM) reiterated that integration of Naga-inhabited areas was a “natural aspiration of the Naga people” and hoped New Delhi would solve this issue in due course. Assam, Nagaland and Manipur have been strongly opposing inclusion of any Naga-inhabited areas in the States in the proposed Nagalim the single administrative entity to be created by integrating all Naga inhabited areas, which the NSCN (IM) has been proposing.

## **National Report**

### **Politics:**

#### **Bansal wants inclusion of caste in census**

Disagreeing with some of his colleagues on the issue of including caste in the census, a senior minister on Sunday dismissed claims that the move was regressive and an "insidious" one and asserted that the majority in the Cabinet was in its favour. Parliamentary Affairs Minister Pawan Kumar Bansal also dismissed suggestions that the issue was in a way "Mandal II" and said there need not be any apprehension that the demand would lead to a division in society. Making a strong pitch for its inclusion, Bansal said in an interview that there was a "preponderant view" during debate in the Lok Sabha that it should be included in the census and "larger number of people" in the Union Cabinet also wanted it. "There is nothing insidious or invidious in it, and it is not a regressive one," he said dubbing moves opposing the inclusion of caste as "all idealism and utopia". Noting that caste is a reality, he said there should be a relentless fight against casteism, but "you cannot banish casteism by not counting". Bansal's statement was diametrically opposite to the one by Minister of State for Home Affairs Ajay Maken who wrote to young MPs urging them to oppose the "regressive" move that was being pushed as part of "divisive agenda for short-term political gain". The Parliamentary Affairs Minister, who spoke on a range of issues, including the move to shift the Question Hour in Parliament, was sharply critical of the BJP for attempting to create an "accident" for the government through the Cut Motion. Rejecting suggestions that the government was skating on "thin ice" as regards numbers in the Parliament, he said, "we are aware of the constraints... that 207 (Congress' strength in the Lok Sabha) is not 275 or not 300 (in a house of 543)." "We don't anticipate any accident. We are conscious of the situation ... we are perfectly in the saddle and doing a good job," Bansal said projecting a picture of "all is well" in Parliament for the Congress-led coalition. He praised the Samajwadi Party, the BSP and the RJD, the three outside supporters together having 46 members, for not supporting the BJP's "game of destabilisation" that could have forced another elections and voting in favour of stability. The BJP, Bansal alleged, has not been able to reconcile to the 2004 Lok Sabha elections defeat inspite of the fact that the Congress returned to power with larger numbers in the general elections last year. He said the BJP, with which Left parties "chose to go together", mistook the signals from the SP-BSP-RJD bloc as "total withdrawal of support" to the government without realising the disarray in the Opposition. On moves by the Chairman of Rajya Sabha and Lok Sabha Speaker to shift the Question Hour in view of disruptions, he said the government was yet to take a view on the subject and "we will approach the issue with an open mind". Bansal said under the rules, it was the prerogative of the Chairman or the Speaker to take up the Question Hour anytime. Normally, the session begins with the Question Hour, but they can change it anytime. "But this has been the practice since Parliament started functioning. It was there even before that, say 100 years or so," he said, adding that change in the timing could interrupt the working of the government. "But we have an open mind whenever we are called for discussions," he added. (The Indian Express)

## **Congress, CPI(M), Trinamool politicising train tragedy: BJP**

The BJP on Sunday accused the Congress, the Communist Party of India (Marxist) and the Trinamool Congress of playing politics over the derailment of the Jnaneswari Express in West Bengal on Friday and urged Prime Minister Manmohan Singh to check the “highly irresponsible” behaviour of Railway Minister Mamata Banerjee. Coming down heavily on Ms. Banerjee for “giving a clean chit to Maoists even before an inquiry has begun,” BJP spokesperson Prakash Javadekar urged Dr. Singh to ensure that such things were not allowed as it, he said, would only embolden Maoists. “The Railway Minister has even floated a conspiracy theory. It is surprising that the Minister is keen to give a clean chit to Maoists without even a proper inquiry having been held. This smacks of rank opportunism and sheer politicization,” he said. Speaking to reporters, Mr. Javadekar also accused the authorities of being “ham-handed” in responding to the incident. “The family members are hunting for the bodies of their near and dear ones even after over 48 hours. It is reported that there are neither enough gas cutters nor adequate personnel to extricate the bodies from the mangled remains.” Charging that the “utter state of confusion and disorganization [in providing relief and rescue] is being created with an eye on votes during the ongoing local elections in West Bengal,” Mr. Javadekar said it was time the Centre and the State government put aside their political differences and considerations of electoral gains and ensured a coordinated response. Mr. Javadekar urged the Prime Minister to intervene to institute an impartial inquiry into the incident. (The Hindu)

## **Brazen act of piracy: Left**

The Left parties on Tuesday condemned Sunday night's attack by Israeli armed forces on a flotilla of six ships carrying humanitarian aid to Gaza. “The attack on the flotilla in international waters, 65 km off the Gaza coast, again shows the complete contempt that Israel has for international law or international opinion. Attacking ships in international waters and killing its passengers is a brazen act of piracy and must be treated as such by the international community,” the Communist Party of India (Marxist) Polit Bureau said in a statement. The CPI(M) called upon the Government of India to condemn the dastardly act, which the statement described as both unprovoked and a criminal attack on ships carrying 10,000 tonnes of aid to Gaza, which has been under siege for almost three years now. The party said India must work actively with other countries from the non-aligned nations in the United Nations and other bodies to force Israel to lift the illegal siege. In its statement, the CPI Central Secretariat said the belligerent act once again showed to what extent Israel could go to defy world public opinion and humanitarian values. “It is a fact that Israel is fully backed by the United States in its war against the Palestinian people,” it said. Stating that India's response was weak while the whole world condemned the attack, the party attributed it to New Delhi's multiple cooperation, including in defence, with Tel Aviv. The party demanded that India take a firm stand and condemn Israel, and called upon all peace-loving and anti-imperialist forces to condemn the attack and express solidarity with the people of Palestine. The CPI (Marxist-Leninist) Liberation said the attack must be treated as an act of war and crime. In a statement, the party's Central Committee demanded international sanctions against Israel and the lifting of the blockade against Gaza. It also called for the scrapping of India's military and



strategic ties with Israel. (The Hindu)

### **Do not take minorities for granted: Pawar**

In an apparent dig at ally Congress, NCP chief and Union Minister Sharad Pawar on Thursday warned “secular” parties against taking minorities for granted in the belief that they have no alternative but to support them. “Minority welfare is a long drawn process, but at least we should make a beginning. NCP is working in that direction. Some big parties -- we do not claim we are a big party with 150 years of experience -- tend to take the minorities for granted,” Pawar, who holds the Agriculture portfolio in the Union Cabinet, said at an NCP function here. He said there was a tendency among secular parties to take minorities for granted thinking that they would not favour outfits like the RSS and the BJP. “But if such attitude gains ground among secular parties it leads to ignoring the genuine problems of minorities. This approach is wrong and if it persists, the concerned community will also say if we are going to hell let us also take the political party with us as well,” Pawar said. He underlined the initiatives taken by the government to make education and housing more accessible to the minorities but stressed that the policies should be implemented properly. “We should not say that our job is done merely by sanctioning money to state governments. We have to ensure that it is utilised for the purpose it has been granted for,” Pawar said. Pawar claimed that Maharashtra Government, in which NCP is a coalition partner, has moved a proposal providing reservation for minorities in the housing sector. (The Indian Express)

### **Pawar misled nation, should resign immediately: BJP**

BJP accused Union Minister Sharad Pawar of misleading the nation by 'misrepresenting facts' about an IPL bid and demanded that he immediately resign or Prime Minister Manmohan Singh take 'stern action' against him. The main opposition party also demanded Joint Parliamentary Committee (JPC) probe into the IPL affairs. The BJP attack came as Pawar and his daughter Supriya Sule, Member of Parliament, faced allegations that they were stakeholders in a company that made a failed IPL bid for the Pune team. 'We demand immediate resignation of Pawar,' Prasad said, adding, 'If Pawar does not resign, we demand that the Prime Minister should take stern action against him.' The BJP leader said Singh should not merely speak about 'good governance, probity and fairness' but actually implement these benchmarks. Prasad said the BJP had already been complaining about Pawar's efforts to 'mislead' the country on foodgrains issue. (The Indian Express)

### **Minorities' Issues:**

#### **Hindu Fundamentalism:**

#### **RSS worried about 'Hindu' link to terrorism**

Ever since a 'Hindu' link to terrorism surfaced in the form of 'sadhvi' Pragma Singh Thakur, many in the Rashtriya Swayamsevak Sangh have been spending sleepless nights, wondering where police investigations will lead once the agencies are able to connect all the dots that have emerged over the past two years. Malegaon in Maharashtra, Macca

Masjid in Andhra Pradesh, Ajmer in Rajasthan and a question mark on the blasts in the Samjhauta Express. The list seems to go on. Terrorism may have no religion, but for the RSS it is discomfiting to have not only Hindus linked to acts of terror but to also have some of those individuals connected to the organisation as well. Now, after intense discussions within the RSS, a clear line has emerged: there is no way the organisation will either “protect” or help those who are indulging in such activities or have done so in the past. After the initial noises which seemed supportive of Pragya Singh — L.K. Advani and Rajnath Singh had issued statements — the RSS and its affiliates have decided to maintain silence on new developments as the investigations get under way. Therefore, there was not even a murmur when an RSS pracharak, Devendra Gupta, was arrested in connection with the Ajmer blasts. RSS sources told that the view that has emerged after intense internal discussion is that the organisation should steer clear of this matter and cooperate with the police while giving no protection to the accused. If terror activities do get linked to the RSS in the minds of the people, the organisation would run into some very rough weather, the sources said. The organisation was “extremely worried” about being linked to terrorism. A strong message has been sent to all swayamsevaks (RSS volunteers) that they should expect no protection if they are mixed up in any terrorist activity, said an RSS leader. “If even for a day the RSS were to be directly linked to terrorist activity, we would suffer a fate worse than what we did after the murder of the Mahatma when the finger of suspicion pointed to the RSS [the RSS was given the benefit of the doubt in the case],” the leader said, speaking on condition of anonymity. There was no way the RSS could deny that Gupta was a ‘pracharak’ of the RSS who was posted in the Jharkhand area for several years. His arrest in connection with the 2007 blast in the Ajmer dargah, which killed three persons and left many more injured, was too close for comfort. Worse, the SIM cards used in the blast carried the same series as those found in the Macca Masjid blasts, showing a strong connection. They were purchased in Jharkhand. (The Hindu)

### **Insurgency Movements:**

#### **Maoists blow up panchayat office, godown**

Maoists blew up a panchayat office building and a godown in 's Malkangiri district early on Sunday in an apparent bid to prevent security personnel from camping there. The police said that around 50 armed ultras raided Kangurukunda village at Kalimela, about 40 km from Orissa, early on Sunday and set off an explosion, destroying the panchayat office. A godown nearby was also blown up by the rebels. Security personnel in strength have gone to the area. The two structures were targeted by the ultras because they believed they could serve as temporary camps for sheltering security personnel deployed in the area. This was the third panchayat office building blown up by the Maoists in the Kalimela area in the last 45 days. Panchayat offices at Telrai and Badigata had earlier been blasted too by the ultras, sources said. (The Indian Express)

#### **Chidambaram asks states to recruit double the number of cops**

With the Centre exploring options of expanding the role of armed forces in the fight against Maoists amid failure of paramilitary and state police forces to contain violence, home minister P Chidambaram asked states to enhance their police training capacities

and recruit "at least double the number of policemen and women that are being recruited, at present, every year". Addressing senior cops from across the country on the occasion of the 40th All India Police Science Congress in Raipur, Chidambaram pointed out how the existing police vacancy of over 3.35 lakh personnel and dismal police-population ratio (160 per one lakh of population) made the task of securing 1.1 billion people quite difficult. These issues will be the highlights of the home minister's remarks on Thursday when MPs of 34 worst Naxal-affected districts assemble for a meeting. It will be the second such meeting when the home ministry will apprise the people's representatives of the existing problem in Red Zones and hear their suggestions to overcome the current crisis. Currently, as against the sanctioned strength of 21 lakh police personnel, about 335,000 lakh posts are vacant. (Times of India)

### **Arundhati backs Maoists, dares authorities to arrest her**

Criticism for romanticizing Naxalism notwithstanding, Booker Prize winning author Arundhati Roy has justified the armed resistance by Maoists and dared the authorities to arrest her for supporting their cause. While claiming that she does not support violence, the 48-year-old author-activist feels that the Naxal movement could be nothing but an armed struggle as the Gandhian way would not have been successful in the present context. "The Naxal movement could be nothing but an armed struggle. I am not supporting violence. But I am also completely against contemptuous atrocities-based political analysis," she said delivering a lecture on 'The War on People' organised by the Committee for Protection of Democratic Rights. "It ought to be an armed movement. Gandhian way of opposition needs an audience, which is absent here. People have debated long before choosing this form of struggle," Roy, who had saluted the "people of Dantewada" after 76 CRPF and police personnel were mowed down by Moists in the deadliest attack targeting security forces, said. "I am on this side of line. I do not care...pick me up put me in jail," she asserted. While terming the naxalite violence as a corollary to the battle between the tribals and corporate houses to gain control over natural resources like minerals, water and forests, she said, "While 99 per cent of Maoists are tribals, 99 per cent of tribals are not Maoists." "What the government calls Maoists corridor, is in fact MoU-ist corridor. You have a MoU on every mountain, river...MoUs signed by biggest corporations in the world who are waiting to gain hold of the resources," Roy said. Explaining the economics behind iron ore mining, Arundhati quoting from Lokayukta's report said, while the government earns Rs 24 per tonne, the mining company gets Rs 5,000. "Here we have the poorest, most malnourished waging a war against the corporates supported by all the institutions of world's biggest democracy. To a large extent, they have won in stopping the mighty coporates in their tracks," she said adding "If we join them, we can make them win this war." They have a history of resistance which predates Mao. They were always armed...they are just using those bows and arrows against sophisticated weapons of security forces deployed by the government to crush their movement, she said. Roy also clarified her reported remarks glorifying Maoists as "Gandhians with Guns". "I never called them Gandhians with guns. It was a blurb carried by a magazine. What I meant was that they (Naxals) are more Gandhian than any other Gandhian in their consumption pattern...their lifestyle." The writer also slammed the media for alleged lack of transparency in their dealings. "Earlier, politicians

had to pay for good coverage. Now, they have to pay to ensure that they do not get bad coverage. Good coverage is extra fees," Roy said and demanded that media houses declare their all sources of revenue. (The Indian Express)

### **Economic Front:**

#### **Stimulus shock: India's deficit up 25%**

As the government cut duties and stepped up public expenditure, its fiscal deficit rose by 24.89 per cent to Rs 4,12,307 crore in 2009-10 compared to the year ago period. Fiscal deficit had stood at Rs 3,30,114 crore during 2008-09. Initiating the stimulus measures to spur the slowing down economy after global financial crisis deepened, the government cut excise duty by four per cent in December, 2008. It again cut excise duty as well as service tax by two per cent in February, 2009. So higher impact of stimulus measures in the form of tax cuts came in 2009-10, which resulted in widening of fiscal deficit. Similarly, Plan expenditure was stepped up to give a boost to the economy, further widening the gap between expenditure and receipts of the government. As a result, while tax revenue rose by just 2.61 per cent to Rs 4.59 lakh crore in 2009-10 compared to a year ago period, Plan expenditure increased by 9.71 per cent to Rs 3.02 lakh crore. Adding non-tax revenue, the government's total receipts rose to Rs 6.06 lakh crore in 2009-10, while together with non-Plan expenditure, the total expenses increased to much higher level of Rs 10.18 lakh crore. As such, fiscal deficit widened to Rs 4,12,307 crore. However, if taken as a proportion of GDP, the government was able to restrict fiscal deficit to 6.61 per cent of the size of economy (Rs 62,31,171 crore) against 6.1 per cent a year ago. It was much lower than 6.7 per cent, envisaged in the revised estimates, given at the time of presentation of this fiscal year's Budget. At the time of the presentation of Budget 2010-11, GDP was estimated at a lower level of Rs 61,64,178 crore, and the fiscal deficit was pegged at a higher 6.7 per cent. If the GDP figures, released, are taken into account, the figures at the time of Budget 2010-11 would have shown a fiscal deficit at 6.64 per cent. So, the containment of fiscal deficit is not as high and just 0.03 per cent lower than Rs 4,14,041 crore given in the revised estimate. (The Indian Express)

#### **Gold price zooms to record high**

Gold prices zoomed to a record Rs.19,050 per 10 gm here on Tuesday. In international markets, the prices surged for the seventh day, as the European debt crisis fuelled demand. (The Hindu)

#### **Food inflation rises**

Pushed up by soaring prices of pulses, milk and fruits, the annual food inflation went up by 0.32 per cent to reach 16.55 per cent for the week ending 22 May. It was 16.23 per cent the week before. Data on the wholesale price index (WPI) released by the commerce and industry ministry showed that the food index rose 0.5 per cent and non-food index increased by 0.41 per cent during the week under review. Fuel prices climbed 14.14 per cent during the week against 12.08 per cent in the week before. The primary articles

index was up 16.89 per cent, compared to a 15.9 per cent rise during the previous week. During the 52-week period, the prices of pulses went up by 30.84 per cent, milk by 21.12 per cent and fruits by 13.74 per cent. The index for Food Articles group rose by 0.5 per cent to 295.1 from 293.6 for the previous week due to higher prices of fish-marine (seven per cent), poultry chicken (five per cent), barley and masur (two per cent each) and condiments & spices, fish-inland, fruits & vegetables, bajra and jowar (one per cent each). However, the prices of coffee (five per cent) and moong and wheat (one per cent each) declined. The index for Non-Food Articles group rose by 0.4 per cent to 283.0 (Provisional) from 281.8 for the previous week due to higher prices of raw rubber (five per cent), raw silk and castor seed (four per cent each), rape & mustard seed (three per cent) and raw jute (one per cent). However, the prices of logs and timber (two per cent) and gingelly seed (one per cent) declined. The overall annual rate of inflation in April stood at 9.59 per cent. Experts said that with food inflation not coming down and in fact spreading to non-food articles, some policy action by the Reserve Bank of India in its quarterly review can be expected next month. Policy makers, meanwhile, are hoping for a good monsoon to help ease prices. (The Statesman)

### **Garment exports down 2.64%: AEPC**

Garment exports dropped by 2.64 per cent to \$10.64 billion in 2009-10 compared to \$10.93 billion in the previous financial year, according to the Apparel Export Promotion Council (AEPC). In rupee terms, however, there was a negligible recovery of 0.37 per cent. Apparel exports totalled Rs 50,479 crore in 2009-10 as against Rs 50,293 crore in 2008-09. But in dollar terms, all months of 2009-10 except July, August and November showed a painful downslide. "Exporters are in deep trouble as the garment industry is reeling under unprecedented price hike of yarns and fabrics," said AEPC's chairman Mr Premal Udani. "The past four months have witnessed a mind-boggling 50 to 80 per cent increase in prices of basic raw materials. Just when there were signs of initial recovery, the industry has been plunged into a gloom because of high raw material prices and their erratic supply," he said. Mr Udani asked the government to impose a 15 per cent tax on exports of cotton yarn. "At a time when domestic demand for fabrics and yarns is booming, free exports of basic raw materials such as cotton and cotton yarn take millions of jobs away from the country," he added. He urged the government to have long-term calibrated exports of cotton and yarn. As far as possible, exports of raw materials should be discouraged. "The government needs to encourage the readymade garment sector which not only earns more foreign exchange per kg of exports but creates millions of jobs in the process," he said. Mr Udani appealed for removal of 16 per cent duty on imports of yarns. Over and above the raw material costs, he said, the industry has been impacted by high labour costs, non-refund of central and state levies besides infrastructure deficiencies. "Our share in world clothings market is going down," said Mr Udani. "Bangladesh has become a larger garment exporter than India. By next year, Vietnam will also overtake us," he added. The Indian apparel industry is the second largest employer of human resources after agriculture. Mr Udani pleaded for immediate government intervention as millions of jobs are at stake. (The Statesman)

## **Foreign Relations/Geo-strategic developments:**

### **Ready for a 'new starting point,' Chinese leaders tell Pratibha**

Top Chinese leaders told visiting President Pratibha Patil on Friday they were ready for “a new starting point” to improve relations between the two countries, after six decades of ups and downs. But Friday's talks also underscored the difficulties the two countries face in their efforts to start afresh, with issues that had challenged the relationship in the past, from Tibet to trade, expectedly finding mention. Chinese officials sought “a reiteration” of India's position that it recognised Tibet as a part of China and did not permit “anti-China activities by any Tibetans resident” on the Indian soil, Foreign Secretary Nirupama Rao said. The issue, Indian officials said, routinely figured in most bilateral talks. The Foreign Secretary still described the overall outcome of two days of discussions between President Patil and China's five most high-ranking leaders as “extremely positive.” “The discussions held over the last two days with the highest levels of the Chinese leadership by our President have been very fruitful ... productive and meaningful, and both sides have clearly stated their desire to take the 60th anniversary year as a starting point to further build on the relationship,” Ms. Rao told reporters. On Friday, Ms. Patil held talks with China's Vice-President Xi Jinping, who is widely tipped to succeed President Hu Jintao in 2012, and Jia Qinglin, chairman of the Chinese People's Political Consultative Conference and the country's fourth highest-ranked leader. Mr. Xi told Ms. Patil that the 60th anniversary of the establishment of diplomatic ties “could be seen as a new starting point to further develop and uplift our relations between the two countries,” Ms. Rao quoted him as saying. The Foreign Secretary said that during the two days of talks, Chinese leaders repeatedly called for both closer “co-operation” and “coordination” between the two countries on multilateral issues, including climate change and trade. Expected points of disagreement, however, also found mention. On Tibet, Mr. Jia urged the President to reiterate India's position that it did not allow “anti-China” activities. “As it happens in the course of discussions between India and China all issues are raised,” Ms. Rao said. “This is, as you know, a complex relationship where there are many issues on which the two sides have sought greater awareness of each other's positions. It was in this context that the issue of Tibet also came up.” Ms. Patil raised long-pending market access issues Indian companies faced in China. She sought greater access for Information Technology and pharmaceutical companies, and for China to address the fast-widening trade imbalance. The President said “mutual awareness about each other and mutual understanding of each other's sensitivities” was key to improving relations. “Even in my short stay, I have been impressed by the amazing achievements of China on many fronts,” she said, addressing the Chinese People's Association for Friendship with Foreign Countries. “This only confirms the prevalent belief in India that much can be learnt from experiences of China, which is a similarly placed emerging economy, with similar aspirations.” (The Hindu)

### **Canada expresses regret, says it is reviewing visa policy**

Canada has regretted the use of the language that “cast false impressions” in the denial of visa to former or serving members of the Indian armed forces and security institutions

and assured India that it is reviewing the admissibility policy set forth in the legislation on visa policy. This followed a belated, but sharp Indian reaction to the Canadian authorities citing reasons such as human rights violation while declining visas to Indians who were or are associated with the security and intelligence organisations. In a statement aimed at assuaging India's sentiments, Canadian Citizenship and Immigration Minister Jason Kenney deeply regretted the incident in which letters drafted by his consular officials during routine visa refusal cast "false aspersions" on the legitimacy of work carried out by Indian defence and security institutions. These organisations, he acknowledged, operated under the framework of "democratic processes and the rule of law," and assessments of candidates, in no way, questioned the functioning of these organisations. Dissociating Ottawa from the language or the "inaccurate" impression it has created, Mr. Kenney felt that the problem arose from the "deliberately" broad legislation on visa policy that led to officials casting the net "too widely." For this reason, Canada was actively reviewing the admissibility policy. Canadian officials who suggested association of employers of visa applicants with rights violations and a hand in subversive activities were, however, "non-partisan" public servants and followed an "independent process" based on Canada's immigration law, Mr. Kenney said. It has now come out that these officials drew on "open sources" of information while telling visa officials that their serving or former organisations were rights violators. The Ministry of External Affairs took up the issue with Canada in a big way. On Thursday, External Affairs Minister S.M. Krishna termed the remarks made in the visa rejection letters "unacceptable." Offended by the issuance of a different category of visa, than the normal one, to an intelligence officer and member of the Prime Minister's advance party for the G-20 Ottawa summit, the Home Ministry had threatened to apply similar criteria for Canadian armed forces and intelligence officers bound for the "war on terror" in Afghanistan. The Ministry also suggested that it would be satisfied with no less than a time-bound apology, or otherwise it would retaliate by rejecting applications from the Canadian security services. So far, nearly a dozen cases of former and serving senior Army and intelligence officers having been insulted have come to light. What is surprising is that some of them had visited Canada earlier, but their vocation had suddenly become an impediment since 2008. (The Hindu)

### **India rubbishes Pak charges on water theft**

Peeved at Pakistan's oft-repeated allegation that it is being deprived of its share of common waters, India on Sunday said such charges were aimed at diverting the attention of their people from their "own inefficient" use of the vital resource. On the eve of the bilateral talks on water, India asserted that it has never deprived Pakistan of its share of water, not even during wars and had no intention to do so ever. "India has no intention of taking away water which may be rightfully theirs... We have demonstrated this even in the past. When relations were at nadir, when we were at war, we did not use water as a weapon to deprive them of their share," Water Resources Minister Pawan Kumar Bansal said. On Pakistan's charge that India was "stealing" water, he said, "They are diverting the attention of their people from their own inefficient use of water... we have seen this in case of Baglihar (power project)." His statement comes in the backdrop of Pakistan's threat to move the World Bank for arbitration over Kishenganga power project in Jammu

and Kashmir, which it alleges violates the 1960 Indus Water Treaty as water would be diverted. Pakistan is said to have appointed two arbitrators to contest its case, though it is yet to formally approach the World Bank. Pakistan is also objecting to construction of two other hydel power projects -- Uri-II and Chutak -- in Jammu and Kashmir. These issues are expected to come up for discussion during the meeting of Indus Water Commissioners. Suggesting that India was ready to walk the extra mile, Bansal said, "Our effort will be to sort out the matter through negotiations...be it at a higher level also." The 240 MW Uri-II hydel power project is being constructed on Jhelum river in Kashmir valley. The 44 MW Chutak project is being constructed in Kargil district of Jammu and Kashmir's Ladakh province and would harness the hydropower potential of Suru river. The barrage of the project is located near Sarzhe village and the power house is proposed on right bank of river Suru near village Chutak. Pakistan claims that the construction of the Chutak project would block 35,000-feet per acre water. India maintains that there is no violation of the treaty and is expected to demonstrate this at the meeting. Under the Indus Water Treaty, Pakistan has exclusive right over three of the common rivers -- Indus, Jhelum and Chenab -- while India has exclusive right over Sutlej, Ravi and Beas. (The Indian Express)

### **Pakistan wants to visit hydel project sites in J&K**

Pakistan water officials want to visit the Nimoo Bazgo and Chutak hydroelectric power project sites in the Indus basin in Jammu and Kashmir. This was conveyed to India when the two sides were finalising their programme and tours during the meeting of the Indus Permanent Commission that met on Sunday, marking the beginning of the four-day talks between officials. The nine-member Pakistani delegation, led by Water Commissioner Jamait Ali Shah, arrived on Saturday. India's Indus Water Commissioner G. Aranganathan is leading the talks for his side. The two sides met in a "cordial" atmosphere in talks ranging over nine hours and exchanged the annual report and minutes of the last meeting. The Pakistani delegation expressed its desire to visit the 45 MW Nimoo Bazgo project near Alchi village on the Indus river in Leh district, and the site of the 44 MW Chutak hydel project on the Suru, a tributary of the Indus in Kargil district. Islamabad has raised objections to both projects. The controversial Kishanganga project, on which Pakistan wants to set up a court of arbitration, has not come up for discussion. (The Hindu)

### **India, Pakistan resolve Baglihar issue**

India and Pakistan have resolved at the meeting of the Permanent Indus Water Commission the issue of water flows in the Chenab river being affected during the initial filling of the Baglihar dam in 2008. Pakistan has decided not to raise the matter further. However, the differences on the design of the 45 MW Nimoo Bazgo hydel project on the Indus river in Leh district remained at the end of the third day of talks on Tuesday. The matter will be discussed further in the next round of talks to be held in Pakistan this or the next month. "We have resolved the differences on the initial filling of the Baglihar dam (in Doda district in Jammu and Kashmir) in 2008 in a spirit of cooperation and goodwill," Pakistan's Indus Commissioner Jamait Ali Shah, who heads the country's delegation, told



The Hindu in an interview. He said Pakistan felt the procedures and parameters in the Indus Waters Treaty were not followed during the initial filling of the dam, resulting in reduction of flows in the Chenab near the Marala headworks. However, during the talks, "India gave the assurance that it will be careful in future and Pakistan has accepted that in spirit of cooperation and goodwill." Sources on the Indian side confirmed that the issue was resolved but asserted that the "filling of the Baglihar dam was in accordance with the treaty and the differences were on the manner in which the water flows were measured." Pakistan's objections had come after a World Bank appointed expert had adjudicated on the dispute between India and Pakistan on the design of the run of the river dam. On the Nimoo Bazgo project, Mr. Shah said his country had objections on six counts. "India said it would come back with requisite information after a week. We hope the matter is resolved amicably in the Commission." (The Hindu)

### **India pushes for expansion of permanent seats in UNSC**

India, which is seeking a permanent berth in the UN Security Council, has said that expansion of only non-permanent seats does not constitute reform of the world body and demanded that membership be increased in both categories. In a closed-door meeting at the UN headquarters convened to discuss the negotiating text for the Security Council reform, India also pointed out that a vast majority of countries were in favour of expanding the current size of the world body's top organ from 15 to the mid-20s. "There cannot be any reform without expansion in both the categories of membership," Hardeep Singh Puri, India's envoy to the UN, said. "Equally, expansion only in the non-permanent category or any of its other variants does not constitute reform and is merely the perpetuation of the current inefficiency by the same ineffective means in vogue since 1963," he said. India along with Japan, Germany, South Africa and Brazil is seeking permanent membership of the Security Council. Puri's remarks came a day after a top US official said India would play a "central part" in the Security Council reform process but stopped short of publicly endorsing the country's bid for a permanent seat. "We're open to expansion of permanent membership of the Council and we believe that India's going to have a central part to play in the consideration that's going to come of that reform of the UN Security Council," Under Secretary of State for Political Affairs William Burns said. During the inaugural discussions on the UN reform, Zahir Tanin, Afghanistan's permanent representative to the UN, in his capacity as the Chairperson of the process asked member states to submit proposals that can be worked into a negotiating text, which will be the basis for future discussions. In 2009, member states of the UN had finally abandoned the 'Open Ended Working Group' (OEWG) on the issue that had dragged on for 15 years without yielding any substantive results. In March last year, the old talks were replaced by the new "inter-governmental negotiations." At the meeting in the UN headquarters, India also underlined the need for equitable geographical distribution. "India supports a Charter-based distribution of seats that addresses the lack of representation of African, Latin American and Caribbean countries and the lack of adequate representation of Asian countries in the permanent membership," Puri said. This year, India is also running for a non-permanent seat of the Council for which elections will be held in October. Puri and his team have been canvassing for the spot for the past three years. Earlier this year, Kazakhstan's withdrew from the electoral race leaving India with a clean slate for 2010-11. To win, India needs two-thirds of the General Assembly

vote, which adds up to about 128 countries saying 'yes' to New Delhi's presence in the Security Council. (Times of India)

### **Clinton, Krishna pledge to deepen Indo-US ties**

India and the USA concluded their first Cabinet-level Strategic Dialogue, pledging to deepen ties between the world's oldest and largest democracies for mutual benefit and global stability while committing to work to strengthen global legal regimes against terrorism. “Secretary of state Hillary Clinton and external affairs minister SM Krishna pledged to deepen people-to-people, business-to-business, and government-to-government linkages between the world's oldest and largest democracies, for the mutual benefit of both countries and for the promotion of global peace, stability, economic growth and prosperity. Both recalled that the Indo-US partnership rests on the firm foundation of common ideals as well as security and economic interests,” a joint statement issued after the conclusion of the talks read. “The guiding principles upon which both nations were founded - democracy, mutual respect, individual liberty, rule of law, and an appreciation for the strength we derive from being pluralistic societies- make the Indo-US bond strong, resilient, and uniquely important for building a peaceful, prosperous, inclusive, and sustainable world,” it said. “They pledged that as strategic partners, India and US would continue to consult each other closely on regional and global developments, and remain sensitive to each other's interests. “They confirmed that global institutions of governance should reflect contemporary realities and enhance effectiveness, in order to meet the challenges of the new century,” the statement read. “In addition to advancing global security and stability, both recognised that the two countries had enormous opportunities to deepen their cooperation in trade and investment, science and technology, infrastructure investment, environmental sustainability, climate change mitigation, energy security, education, agriculture, food security, healthcare and empowerment of people,” it read. The two leaders emphasised that the Strategic Dialogue and its detailed architecture was a vital instrument to pursue these goals, the statement cited. The Strategic Dialogue was co-chaired by Mrs Clinton and Mr Krishna. “Minister Krishna and Secretary Clinton reiterated their shared goal of advancing security and stability across Asia, in particular, through the emergence of an open, balanced and inclusive architecture of cooperation in the region,” the statement read. Reiterating their shared interest and commitment to a stable, sovereign, democratic and pluralistic Afghanistan, Mr Krishna and Mrs Clinton emphasised the importance of a sustained international commitment to Afghanistan that builds local capacities through Afghan-led initiatives. The two leaders expressed grave concern over recent incidents in the USA and India that reminded that terrorism and violent extremism knew no boundaries and continue to threaten global, regional, and domestic security. Recognising the importance of continued cooperation in efforts to defeat terrorism, they reaffirmed the critical principle that no cause or grievance justifies terrorism in any form. “They called for swift and credible steps to eliminate terrorist safe havens and vowed to strengthen global consensus and legal regimes against terrorism, including by working together at the UN toward adoption of a Comprehensive Convention on International Terrorism that strengthens our efforts in combating terrorism,” the statement read. “Secretary Clinton and Minister Krishna expressed their shared view that the Indo-US Strategic Dialogue and the bilateral

mechanisms therein provide an important platform for strengthening the US-India partnership, offering a strategic vision for enhanced future cooperation,” the statement read. “The US and Indian delegations look forward to further discussions on specific matters raised at the Dialogue through expanded high-level official engagement, working groups, and existing bilateral dialogues,” it read. Acknowledging the positive contribution of cooperation in education and science and technology to bilateral relations, the joint statement said: “They noted the enormous potential for enhancing academic exchanges and collaboration, including through participation of US universities in India, in the context of the ongoing reforms and expansion of the higher education and professional training sectors in India. “Clinton welcomed India's announcement of establishing a Global Centre for Nuclear Energy Partnership with focus on advanced nuclear energy systems, nuclear security, radiological safety and applications of radio isotopes and radiation technologies and appreciated India's intent to welcome participation by international partner countries and IAEA in the work of the Centre. “They also committed to continue working together to achieve an early start of negotiations on a multilateral, non-discriminatory and internationally and effectively verifiable Fissile Material Cutoff Treaty at the Conference on Disarmament,” the statement read. According to the joint statement, they called for a balanced and ambitious conclusion to the Doha Development Round, consistent with its mandate. As members of the G20, they agreed to advance the G20 understandings including with regard to energy security and resisting protectionism in all its forms. Mr Krishna and Mrs Clinton noted that both governments had taken steps to strengthen their bilateral engagement and understanding in three broad areas - macroeconomic policy, financial sector, and infrastructure financing - through the launch of a new economic and financial partnership' between India's ministry of finance and the department of treasury in April 2010. “The partnership is intended to help both countries to promote strong, sustainable, and balanced growth, as well as share experiences on infrastructure financing and financial sector regulation,” it read. Noting that the USA and India had taken crucial steps towards full implementation of civil nuclear cooperation, the two leaders reiterated that nuclear energy can make a significant contribution to building a sustainable and clean energy future. They highlighted the Civil Nuclear Energy Cooperation Action Plan recently signed by the two countries. “They resolved to continue to look for innovative ways to work together to promote agricultural development and reduce rural poverty, promote global food security, and improve weather prediction and crop forecasting capabilities for agricultural purposes in order to improve livelihoods in the rural sectors. “They also pledged to work together to improve the farm to market supply chain, food processing, and agricultural extension programs,” the joint statement said. Reviewing the progress on the collaborative effort to establish a Regional Global Disease Detection Centre in India, Mr Krishna and Mrs Clinton acknowledged that the health dialogue would provide a framework to discuss ways to accelerate bilateral cooperation and collaborations, including exchanging views on extending affordable healthcare to all sections of the population and to continuing education and training for health care practitioners at all levels of service. “Both governments pledged to enhance bilateral collaboration in controlling and preventing diseases, assuring food and medical product safety, and increasing biomedical and translational research and development with the goal of identifying new and effective methods of medical treatment and ensuring equitable

access of such outcomes to the citizens of both the countries,” it read. Besides Mr Krishna, other members of the Indian delegation included Union human resources development minister Mr Kapil Sibal; deputy chairman of the Planning Commission Mr Montek Singh Ahluwalia; minister of state for science and technology Mr Prithviraj Chauhan, foreign secretary Mrs Nirupama Rao, special secretary for Internal security Mr UK Bansal, environment secretary Mr Vijai Sharma and the Indian Ambassador to the USA, Mrs Meera Shankar. The US delegation led by Mrs Clinton included energy secretary Mr Steven Chu; under-secretary of state for political affairs Mr Bill Burns, US Ambassador to India Mr Tim Roemer; deputy national security advisor Mr Michale Froman, director of the Office of Science and Technology Policy and assistant to the US President for science and technology Dr John Holdren, US climate change envoy Mr Todd Stern; assistant secretary of state for South and Central Asia Mr Robert Blake; FBI director Mr Robert Mueller, under secretary of defense Ms Michele Flournoy and Nasa administrator Mr Charles Bolden. (The Statesman)

### **Obama to visit 'indispensable' India in November**

US President Barack Obama announced that he would visit India in November, acknowledging that the country was a rising and responsible global power “indispensable” to a future American strategy. Mr Obama in his address to a select audience at a reception hosted by secretary of state Mrs Hillary Clinton in honour of external affairs minister Mr SM Krishna also said the relationship between the USA and India was “fundamentally unique.” Mr George W Bush was the last US President to visit India in March 2006. The US President was making a rare visit to the Foggy Bottom headquarters of the state department to attend a reception for a visiting foreign minister. Mr Krishna is in Washington for the Indo-US Strategic Dialogue. As of now, Mr Obama's travel dates to India have been tentatively scheduled between 7 November and 10 November, a senior administration official said. “During his state visit, the Prime Minister (Dr Manmohan Singh) graciously invited me and my family to visit India this year, and I happily accepted. And as I confirmed to him when we spoke last week, I'm delighted to announce that I plan to visit India in early November,” he said. Mr Obama said US' relations with India comprised the highest of priorities for his administration and for “me personally” as president of the USA. “So I look forward to advancing our partnership, to experiencing all that India and its people and its incredible ancient culture have to offer,” Mr Obama said. Mr Obama said he firmly believed the relationship between the two countries would be a defining partnership in the 21st century. “The United States values our partnership not because of where India is on a map but because of what we share and where we can go together. India is indispensable to the future that we seek, a future of security and prosperity for all nations,” he said. “That's why a third of my Cabinet has already visited India. That is why officials from across my administration are a part of this strategic dialogue. That's why I want to thank you for the progress that we've made together since Prime Minister (Manmohan) Singh's visit,” the US President said. “Michelle and I were honoured to welcome Prime Minister Singh and Mrs Kaur to the White House for the very first official state visit of my presidency. “I said then that India is a leader in Asia and around the world. It's a rising power and a responsible global power. "That's why I firmly believe that the relationship between the

United States and India will be a defining partnership in the 21st century,” he said. “The new National Security Strategy that I released last week makes this absolutely clear. A fundamental pillar of America's comprehensive engagement with the world involves deepening our cooperation with 21st century centres of influence, and that includes India,” Mr Obama said. (The Statesman)

### **Israel in damage control over India**

In a damage control exercise, Israel, which had compared violence in India to its globally-condemned attack on an aid flotilla to the Gaza Strip, has said it mentioned the country by mistake which was “totally unintentional.” “India was mentioned in the press release by mistake. It was totally unintentional”, Israel’s foreign minister Mr Avigdor Lieberman’s media adviser Mr Tzachi Moshe said. “The moment it came to our notice, the release was corrected and reference to India was dropped,” Mr Moshe said. His comments came a day after an Israeli foreign ministry statement quoting Mr Lieberman as telling UN Secretary-General Mr Ban Ki-moon said that incidents in countries like India and Pakistan in the past one month which claimed over 500 lives had been “ignored” while the Jewish state was being condemned for its “unmistakably defensive actions”. In New Delhi, Israel’s Ambassador to India Mr Mark Sofer said that the mention of India in the foreign ministry statement was a “regrettable error” and that his country “does not see India in the same light as it sees its enemies.” India was a close friend, he emphasised. Mr Sofer said already the name of India had been removed from the speech of his foreign minister and “we are taking this up to make sure that any misunderstanding risen out of this error of this nature will no longer be there.” He also said: “Israel stands hook, line and sinker behind India in its struggle in South Asia.” In an emergency session on Tuesday, the UN Security Council had called for an investigation into Israel’s deadly commando raid on six ships taking humanitarian aid to the Gaza Strip, condemning the act that resulted in the loss of at least nine lives. (The Statesman)

### **Indian Occupied Kashmir:**

#### **Social front:**

#### **The future is in cities**

Greater urbanisation should be a specific objective of public policy. While more than half of India continues to live in the villages, there is nothing worth even romanticizing about rural India any more. The establishment of the Panchayati Raj Institutions (PRIs) will improve governance at the village level, although it is taking much longer than is desirable. It will bring in greater empowerment, accountability and deliverance of social services. But it cannot improve the economic conditions in the villages. It cannot, for example, raise employment opportunities. The PRIs and the Right to Information are the best pieces of legislation enacted in recent times. They will ensure better governance at all levels, but they are not sufficient interventions for growth. The median urban income is two-thirds higher than the median rural income, according to CMIE’s Consumer

Pyramids, a survey of 1,40,000 households. The difference is high given that the estimates include remittances and imputed incomes, which accrue mostly to rural regions. Thus, it includes the monies that, say, a household in Kerala receives from Malayalis working in the Middle East or households in Bihar receive from migrants working in Punjab or Mumbai. It is difficult to bridge this gap between rural and urban incomes in any reasonable time frame by investing greater amounts in rural India. Infrastructure development in rural India is a lot more difficult and a lot more costly than it is in the cities and towns. As a result, the rural folks will continue to inundate the cities. Strategically, therefore, it makes greater sense to accept urbanisation as inevitable and work on a development plan around such a reality. What is important is to minimise the distance that labour needs to migrate to find fruitful employment. A Malayali need not go all the way to the Gulf and a Bihari need not go to Punjab or Mumbai to find employment. It should be possible for them to find employment within a few hundred kilometres. Currently, an educated Bihari, an Oriya or even an educated Bengali has to travel nearly 2,000 kilometres to Mumbai or Delhi to find employment. This is extremely inefficient and it cannot be the solution for all the peoples of such lands. In fact, all Biharis need not travel to Patna either—like all Maharashtrais need not migrate to Mumbai. The development of a Thane or a Pune reduces the pressure on Mumbai. In Bihar, it would be much better to concentrate on the development of Dinapur Nizamat, Arrah and Jehanabad that are close to Patna than to thinly spread the effort of development across far flung cities such as Buxar, Sasaram or Aurangabad. And, make one more similar effort across the Ganga around Muzaffarpur. There were over 5,000 towns in India in 2001. The number must have grown since then. It is not necessary (or even prudent) to develop all towns equally. Two factors need to be taken into account when picking cities for development. First, we must appreciate that big towns often naturally create satellite towns, which in turn integrate well with neighbouring semi-urban areas. Prosperity in the large towns creates spillover effects. And this can lead to spots of isolation. It is best to ride this natural phenomenon and manage it rather than impede this concentration of development or try to even out the development process or try to enhance inclusiveness here. It is better to develop a Vashi in the shadow of Mumbai than to develop a Latur in isolation. Second, in a large and generally densely populated country like India, it would not be possible to create just a few areas of concentration (such as in Brazil). We need to have many urban conglomerations, not just a handful. Each state capital could be one level at which conglomerates could be made. However, in many states this is seen to be quite insufficient. A Mumbai cannot make a difference that can go far beyond a radius of about 200 kilometres. Such a radius includes Thane and Pune. Bangalore and Hyderabad make a lesser difference in Karnataka and Andhra Pradesh. Therefore, we do need to develop more large cities than just the state capital. The next administrative level is that of the district, of which we have nearly 600. Instead of so many, it is much better to consider the development of about 100 cities in the 100 homogeneous regions in India. Homogeneous regions (a concept developed by CMIE) are neighbouring districts that have similar agro-climatic conditions, urbanisation levels and female literacy. (See FE, May 7, 2010 for the use of homogeneous regions in marketing strategies.) These 100 cities will effectively provide one large urban agglomeration per 1.2 million people. The inevitability of urbanisation and a growth plan around such a premise implies that development will not be even across rural and urban

areas. This reality is not too difficult to accept. However, it is sometimes difficult, but nonetheless important, to accept that development will necessarily be uneven across regions. The political acceptance of this and a developmental plan that keeps this in mind is the challenge. We must appreciate that Bihar cannot be developed uniformly from Champaran to Bhagalpur, like Maharashtra cannot be developed uniformly from Mumbai to Chandrapur. But, if we can make a better Chandrapur and make it the focal point for development in its region, we would be much better off. (**Mahesh Vyas** *The author heads Centre for Monitoring Indian Economy*) (The Indian Express)

### **Clean Ganga by 2020, says Prime Minister**

Asserting that the UPA government was committed to cleaning up the Ganga, Prime Minister Manmohan Singh on Tuesday said no untreated waste and industrial effluents would flow into the river by 2020. "Under 'Mission Clean Ganga', it would be ensured that by 2020 no untreated municipal sewage and industrial effluents flow into the Ganga," Dr. Singh said, in the Report to the People on completion of one year of the UPA's second term in office. He said the investment required for the Mission would be shared "suitably" between the Centre and the State governments. The Prime Minister said an empowered steering committee has been constituted for appraisal and sanction of projects on a fast track basis. Projects for approximately Rs. 1,390 crore have been approved so far. The Centre had recently set up a Ganga River Basin Authority to monitor the implementation of the clean-up project and other development schemes. Dr. Singh said discussions had been initiated for long-term support of the World Bank and a project preparation facility from the international body has been approved. (The Hindu)

### **Lt Gen forced to resign following charges of sexual misconduct**

In a major embarrassment for the Army, a Lieutenant General has been forced to resign following allegations of sexual misconduct against him by the wife of an officer during a visit abroad last month. Army sources said that Lt Gen A K Nanda, the Engineer-in-Chief, was asked to put in his papers by Army Chief Gen V K Singh after a complaint that he molested the wife of his technical secretary during a visit to Israel. Lt Gen Nanda has already put in his papers, the sources said. He is the senior-most Army officer to face such action over sexual misconduct charges. Nanda and his team had gone to Israel along with their families, the sources said. The complaint was filed by the wife of Nanda's technical secretary to Army Chief's wife and the President of the Army Wives Welfare Association Bharti Singh, who promptly put it up before Gen Singh. After an inquiry into the episode, Singh is believed to have asked Nanda last week to put in his papers and leave. Nanda had only about a year ago taken over as the Engineer-in-Chief and had earlier served as the Director General of the Border Roads Organisation. Nanda's technical secretary, who had expressed his displeasure and unwillingness to work under Nanda, has been posted to Bhopal. A new technical secretary, Col Sanjeev Dalal, has taken over the job. When Nanda's office was contacted, his staff, including Dalal, refused to speak on the matter. Nanda was not available for comments. (Times of India)

## **Monsoon 11% below normal till June 2: Met Department**

India's monsoon rains were 11 per-cent below normal in the week to June 2, the weather office said on Thursday. For the seven days ended June 2, countrywide rains stood at 16.7 mm as against the normal of 18.8 mm, the India Meteorological Department said. The monsoon, vital for farm output in India's trillion-dollar economy, had hit the country's southern coast on May 31, a day ahead of its usual date of June 1. (Times of India)

## **Indian Mujahideen declared terror outfit**

The Government declared Indian Mujahideen, believed to be a shadow outfit of banned SIMI and Pakistan-based Lashker-e-Toiba, as a terrorist organisation. The terror outfit, which has been allegedly involved in serial bomb blasts in Delhi, Uttar Pradesh, Bangalore and Mumbai, has been added by the Government in the list of terrorist organisation under the Unlawful Activities (Prevention) Act. "An order has been issued adding Indian Mujahideen and all its formations and front organisations to the list of Unlawful Activities (Prevention) Act, 1967," Home Ministry said in a statement. The Indian Mujahideen came under spotlight on February 23, 2005 when it allegedly carried out a blast in Varanasi leaving eight people injured. It has so far carried out over 10 blasts in various parts of the country killing nearly 500 people, a senior Home Ministry official said. The deadliest attack of the Indian Mujahideen was in the national capital in 2006 when as many as 66 people were killed in serial blasts. Amir Reza Khan was the founding members of the Indian Mujahideen. The terror group is at present headed by Iqbal Bhatkal. (The Indian Express)

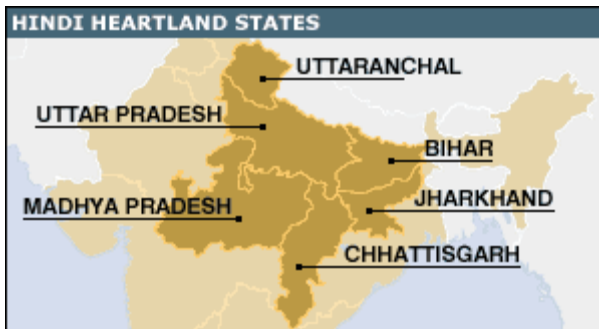
## **Kasab moves HC challenging death sentence, seeks lawyer**

A month after being sentenced to death for the Mumbai terror attacks, Ajmal Kasab has filed an appeal in Bombay High Court challenging the verdict and sought a lawyer from the legal aid panel to argue his case. Kasab filed the appeal through the jail authorities and his plea for a lawyer has been forwarded to the Court Legal Services Committee (HCLSC), jail sources said. The HCLSC would now forward Kasab's request for a lawyer before Acting Chief Justice Mr JN Patel, who is patron-in-chief of Maharashtra State Legal Services Authority and senior judge and chairperson of HCLSC, Ms Justice Ranjana Desai. Kasab has a right to remain present before the High Court Bench which would hear his appeal and in such an event the state would have to ensure that he is brought amidst tight security from the Arthur Road Jail where he is currently lodged. Although Kasab had 60 days to decide on filing an appeal, he exercised his choice within a month and his petition along with the 1,500-page judgment has been forwarded to the High Court, they said. On 3 May, a trial court had convicted Kasab and soon thereafter sentenced him to death for the massacre of 166 persons in the worst-ever terror attack in the country. The High Court would simultaneously hear Kasab's appeal against his conviction, state's appeal against acquittal of two co-accused Faheem Ansari and Sabauddin Ahmed and confirmation of death penalty awarded to the 22-year-old LeT footsoldier who had held the city to a 60-hour siege along with companions and indulged in mayhem. In the trial court, Kasab was provided with free legal aid after he pleaded that he could not afford to engage a lawyer of his choice. (The Statesman)



## Regional Report

### Central India (Hindi Heartland)



### Politics:

#### **Shibu Soren resigns**

An isolated Shibu Soren resigned as Jharkhand Chief Minister after failing to get the support of Congress and its ally JVM(P) ahead trust vote in the assembly. Soren met Governor M O H Farooq and submitted his resignation. Soren has been asked to continue as caretaker Chief Minister till an alternate arrangement is made, Principal Secretary to the Governor Sudhir Tripathi said. With odds stacked against him, Soren, who has been holding on to his post after renegeing on a power-sharing deal with the BJP, made overtures to the Congress which was not forthcoming. "We appealed to the political parties to support the Soren Government in the interest of the state and to prevent imposition of President's rule, nobody has come forward," Deputy Chief Minister Sudesh Mahto told reporters at Raj Bhavan after Soren put in his papers.(The Indian Express)

#### **JMM offers BJP old formula, new numbers**

With Jharkhand Governor M O H Farook exploring various possibilities of government formation, the Jharkhand Mukti Morcha (JMM) on Monday initiated last-ditch efforts to enter into an understanding with the BJP again to avert the President's rule in the state. JMM chief Shibu Soren's son Hemant was learnt to have spoken to BJP chief Nitin Gadkari and senior party leader Rajnath Singh, offering his party's support as well as that of the five MLAs of the All Jharkhand Student's Union (AJSU) and two Independents. "We are ready with the letter of support for the BJP. The letter has the signatures of our 18 MLAs, five MLAs of the AJSU and two Independents," a source close to Hemant told The Indian Express. Sources said the JMM had conveyed to the BJP that it was ready to revive the 28-28 month rotation formula thrashed out by the two parties earlier this month. However, there are not many takers for the offer in the BJP given the experience it had with the JMM. The central leadership is in no mood to have any association with the JMM again, although it has come under considerable pressure from a majority of its MLAs who are learnt to be pressing for some sort of arrangement. The feeling among the top leaders is that JMM could not be trusted anymore. As many as 16 of the BJP's 18 MLAs have asked the state leadership to revive efforts for government formation as they

want to avoid the spectre of the President's rule. These MLAs lambasted state unit president Raghuvardhan Das and alleged he was not conveying their concerns to the party high command because they had not backed his candidacy for the CM post. "Since we supported Arjun Munda, Das turned hostile and began to act against the interests of the party and the state," said a BJP MLA. However, senior leaders L K Advani, Arun Jaitley and Sushma Swaraj are against any association with Soren again, putting the party chief in a dilemma. In Delhi, BJP spokesperson Nirmala Sitharaman said the party had withdrawn support and "we are at the moment not looking at forming a government in the state". She, however, said the BJP was "keenly watching the Congress party and its movements". Although the BJP had decided to put an end to all efforts for government formation in Jharkhand after it withdrew support to the JMM last week in the wake of confusing signals given by Soren senior, the pressure mounted by its MLAs has become a cause for worry. There is a realisation in the party that many of its MLAs are vulnerable and could switch sides. The need for keeping the flock together is being talked about. Earlier in the day, Governor Farook invited leaders of the main parties and explored possibilities of government formation following Soren's resignation on Sunday night. With none of them staking claim to form the government, Farook sent a 'factual report' to the Centre. "The Governor has sent a factual report, detailing the response of the three main political parties," highly placed sources in the Raj Bhawan told. (The Indian Express)

### **President's rule in Jharkhand**

Jharkhand on Tuesday came under Central rule with President Pratibha Patil accepting a recommendation of the Union Cabinet after the Congress and the BJP gave up efforts to form an alternative government following the resignation of Chief Minister Shibu Soren. The Assembly will be kept in suspended animation during President's rule, which has been imposed for a second time in two years, a Rashtrapati Bhavan official said. A meeting of the Cabinet, chaired by Prime Minister Manmohan Singh, had in the morning recommended to the President imposition of Central rule on the basis of the report of Jharkhand Governor M.O.H. Farooq to the Centre on Monday. Mr. Farooq is understood to have recommended clamping of Central rule after he met leaders of major political parties in Ranchi. The Congress and the BJP had both indicated their inability to form an alternative government in the State. The Soren government was reduced to a minority on May 24 when the BJP, with 18 MLAs and the JD(U) with two, withdrew support to it. (The Hindu)

### **Social front:**

### **Economic Front:**

## The North



### Politics:

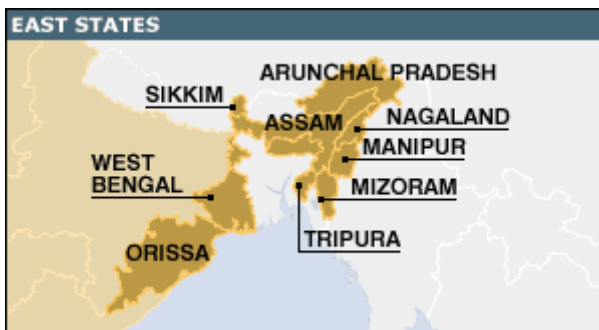
### Social front:

### Economic Front:

#### **‘Punjab gets only 1.29 per cent of taxes’**

Bikram Singh Majithia, former minister and patron of Youth Akali Dal, on Monday locked horns with Ludhiana MP and All India Congress Committee (AICC) spokesman Manish Tiwari over his recent remarks that ‘Punjab was surviving on Central funds’. Majithia claimed that Tiwari’s comment was aimed at misguiding people of the state. “He should make it clear whether the Centre is printing or importing currency for creation of these funds. The Centre collects taxes from the states and keeps 70 per cent with it while it distributes 30 per cent to states and union territories in the country,” he stated. Majithia added that as per Godbole’s formula, Punjab was getting only 1.29 per cent share of the taxes collected from the state. He said that during last three years of the SAD-BJP government, Punjab’s revenue has grown three times resultantly increasing the share of taxes accordingly. Asking Congress leaders why they were silent over the ‘injustice’ being meted out to Punjab, he stated Punjab’s farmers were contributing 70 per cent grains, but got only one per cent share in the Centre’s recent Rs 71,000 debt waiver scheme. (The Indian Express)

## The East



## **Politics:**

### **75% vote in West Bengal civic polls**

Barring stray incidents of violence, elections to 81 civic bodies across West Bengal, including that to the Kolkata Municipal Corporation (KMC), passed off peacefully on Sunday. The average turnout, involving a total electorate of more than 85 lakhs, was nearly 75 per cent. It was marginally higher in the districts than in the KMC area. The results are to be announced on June 2. Elaborate security arrangements were made to ensure smooth polling, with 48 companies of Central forces being drafted for poll duty, as were another 20 from different States to supplement the police. While there were reports of trouble from a few districts, the State police announced that an executive inquiry will be held into firing by a policeman of the Tripura State Rifles in which a man was severely injured in the Patuli area in the south-eastern fringe of the city. In all, 72 persons were arrested in districts and here for disorderly conduct, the police said. "We received reports of violence from Jamuria in Bardhaman district where some miscreants smashed an electronic voting machine (EVM) and from the Patuli locality under the KMC area, where a security staff allegedly fired at a person following an altercation," State Election Commissioner Mira Pande said. Re-polling may take place on June 1 in three booths in the KMC area and a final decision in this regard would be taken on Monday, she said. There were reports of violence in Hooghly district also, the police said. Technical snags in EVMs in certain booths slowed down the pace of polling. The elections are crucial as they come ahead of the Assembly polls next year. (The Hindu)

### **Integration of Naga areas needs consensus: Centre**

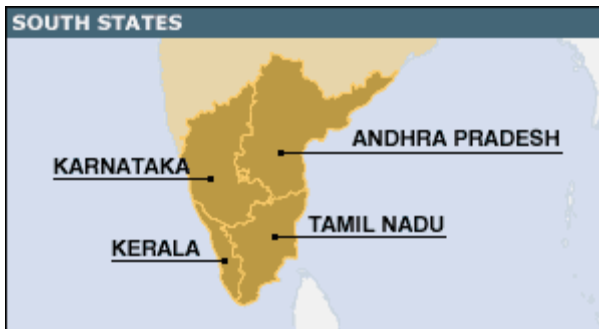
The Centre on Tuesday told the National Socialist Council of Nagalim (Isak-Muivah) that integration of Naga-inhabited areas would need consensus among the States concerned, as boundaries would have to be altered. The NSCN (IM) reiterated that integration of Naga-inhabited areas was a "natural aspiration of the Naga people" and hoped New Delhi would solve this issue in due course. New Delhi's position was explained by the Centre's interlocutor on the peace talks, R.S. Pandey, during peace talks with the NSCN (IM) in Nagaland's capital Kohima. Both sides expressed their commitment to finding an early negotiated settlement to the Naga problem. Assam, Nagaland and Manipur have been strongly opposing inclusion of any Naga-inhabited areas in the States in the proposed Nagalim — the single administrative entity to be created by integrating all Naga inhabited areas, which the NSCN (IM) has been proposing. This is the first time that Naga peace talks were held in Nagaland since the NSCN (IM) signed a ceasefire agreement with the Centre in 1997. Mr. Pandey was accompanied by Special Director, Intelligence Bureau (IB) Ajit Lal, while the 12-member NSCN (IM) delegation was led by its general secretary Thuingaleng Muivah. Mr. Pandey told journalists that based on proposals submitted by the NSCN (IM), discussions were held on a wide range of issues and both sides expressed a commitment to explore all possibilities to arrive at consensus on certain issues which were "sensitive in nature." He said both sides hoped that they would be able to hammer out a solution in due course. Mr. Muivah described the talks as "significant," and added that the NSCN(IM) had noticed more seriousness and sincerity

on part of the Centre for finding a negotiated settlement on the basis of the “unique rights, history and situation” of the Naga people. He said the NSCN(I-M) was determined to explore all means towards finding a negotiated settlement by removing obstacles. Mr. Pandey is also understood to have conveyed the Centre's invitation to Mr. Muivah for the next round of peace talks in Delhi. Mr. Muivah, however, told the Centre's interlocutor that he would need to consult his people on it. However, no concrete information was provided to the journalists on whether the two sides held any discussion on the current impasse over the proposed visit of Mr. Muivah to his birthplace Somdal in Ukhrul district of Manipur. The economic blockade enforced by the All-Naga Student's Association (Manipur) on NH 39 and NH 53 in protest against holding of Autonomous District Council polls in the hill districts of Manipur were intensified after the Manipur government banned the entry of Mr. Muivah. (The Hindu)

**Social front:**

**Economic Front:**

**The South**



**Politics:**

**Social front:**

**Economic Front:**

**West India**



## **Politics:**

### **Social front:**

#### **Shahpur search throws up cache of explosives**

Though the riot-hit walled city areas of Ahmedabad remained incident-free but tense on Friday, a huge cache of explosives and other inflammatory materials were found in a search during the day. As the situation was slowly returning to normality, the police launched a massive combing operation at Shahpur and searched the houses at Rangeela Chowky and in other areas and unearthed petrol bombs, kerosene bombs, and knives. (The Hindu)

### **Economic Front:**

#### **'Pune becoming global auto hub'**

"Industries should take the responsibility for the environment and take the initiative to help keep it green," said Dr Peter Klaus, chemical expert of Anjo GmbH from Germany. The Pune Metal Finishers' Association and Progressive Electro-Plating Chemicals Ltd had jointly organised 'Neometafin 2010,' a seminar on newer Plating Products, Environment and Technology. Dr Klaus talked about Nano technology coatings. Dr Klaus said Pune was becoming a global automobile hub and the world was looking at India from a different perspective. "Hence excellence in quality will help India give a separate Identity. Banwat said that plating industry is changing its identity and PMFA will be helpful for the new entrepreneurs entering this field. (The Indian Express)