



## The clean-up begins

But will the RBI's move for insolvency proceedings against borrowers succeed?

Armed with the powers, a little over a month ago, to get lenders and defaulting borrowers to sit down and address the messy task of cleaning up toxic bad debts, the Reserve Bank of India (RBI) has decided to crack the whip. The central bank's decision to act on the advice of its Internal Advisory Committee and direct lenders to initiate insolvency proceedings against 12 corporate borrowers – each owing in excess of ₹5,000 crore – has come not a day too soon. With gross non-performing assets (NPAs) at about ₹7 lakh crore, a regulatory intervention was imperative not only to safeguard the health of the banking system but also to ward off any wider impact on the economy. RBI Governor Urjit Patel underscored the importance of tackling the bad loans problem as recently as during the June 6-7 meeting of the Monetary Policy Committee when he said: "The quiescent investment cycle remains a key macroeconomic concern. It is, therefore, imperative to ensure resolution of stressed assets of banks and timely recapitalisation [of public sector lenders]." While the RBI has not divulged the names of the defaulting dozen, reports suggest they are largely made up of steelmakers and infrastructure companies. That steel companies were among the worst-hit in the wake of the global downturn in commodity prices and depressed demand in recent years is widely known; to that extent the sector's presence in the list comes as no surprise.

The onus now shifts to the lender consortiums to expedite the insolvency process under the new Insolvency and Bankruptcy Code (IBC). The enabling architecture is now in place to speedily bring a defaulting borrower's operations under the purview of an insolvency professional, once the National Company Law Tribunal has accepted the creditors' application for initiating insolvency proceedings against the debtor. But the actual timeframe in which the resolution is going to occur remains to be seen, given that the IBC is still in its infancy. While the code has been drafted to bring under its ambit existing laws related to insolvency and bankruptcy, thereby curtailing the options available to a borrower who wishes to mount a legal challenge, the proof of the pudding as always will be in the eating. The fate of this long-overdue attempt at resolving the banking sector's NPA crisis will ultimately be determined by how quickly the lender consortia are able to initiate the implementation of a resolution plan that retains the defaulting company as a going concern – there are, after all, thousands of direct and indirect jobs at stake here. Or, in the absence of approval for such a plan, start taking steps to liquidate assets.

## Game of thrones

Mohammed bin Salman's elevation as Crown Prince could herald a more hawkish Saudi line

The rapid rise of Mohammed bin Salman, from one among many princes in the al-Saud royal family to the Crown Prince of Saudi Arabia within a span of two years, is an unprecedented development in the history of the Kingdom. Little-known outside the palace until January 2015 when his father, Salman bin Abdulaziz, became the monarch, Prince Mohammed has since been the face of Saudi Arabia overseas and of reforms at home. Appointed Deputy Crown Prince by his father, Prince Mohammed often overshadowed the then powerful Crown Prince, Mohammed bin Nayef. He was directly in charge of the Kingdom's foreign policy and rolled out an ambitious economic reform agenda last year. Throughout, he had the support of the octogenarian King, even as the Crown Prince, reportedly upset with his cousin sidestepping him, kept a low profile. On Wednesday, King Salman put an end to all speculation on the succession by ousting Prince Nayef, his nephew, and appointing his son the new Crown Prince. This has practically removed all hurdles for the 31-year-old to ascend the throne once his father retires or dies. With King Salman largely confined to the Palace owing to health reasons and Prince Nayef forcibly retired, the new Crown Prince has already become the *de facto* ruler of Saudi Arabia.

Many regard him as a reformer. He has repeatedly talked about ending Saudi Arabia's "addiction to oil". The Vision 2030 plan launched by the Prince last year seeks to end the country's dependence on oil, reform its finances and encourage private enterprise. He has also talked about women's rights. At the same time, many others perceive him as a reckless, impulsive royal whose unrealistic ambitions and quest for power could endanger not just the Kingdom but the entire Gulf region. A look at Saudi Arabia's foreign policy under King Salman lends credence to this criticism. Prince Mohammed was the architect of Riyadh's bombing campaign in Yemen in the name of fighting Shia Houthi rebels. The Saudi version is that the Houthis are Iran's proxies, and letting them consolidate themselves in the Kingdom's backyard will hurt its interests. For over two years Saudi Arabia has been bombing Yemen with impunity, triggering a humanitarian crisis in one of the poorest countries in the Arab world, but without attaining the stated objective of defeating the Houthis. The Houthis are still in San'a, Yemen's capital. Riyadh has also taken a tougher anti-Tehran line in recent years with Prince Mohammed determined to make sure that "the battle is for them in Iran". This aggressive foreign policy line was evident in Riyadh's decision to impose a blockade on Qatar as well. Prince Mohammed's domestic reform credentials are also yet to be established, as his plans to reorganise the oil economy remain on paper, while social reforms are nowhere near the government's agenda. Against such a background, the Prince's elevation will only prompt Saudi Arabia to turn more hawkish on regional policy, while reforms take a back seat. This is bad news for an already volatile region.

# Keeping the 'Sixth Republic' on track

Emmanuel Macron's objective is to expand the centrist turf as a uniting force and secure the pro-Europe platform



RAKESH SOOD

Even though President Emmanuel Macron won a respectable majority in the French parliamentary elections held last week with 350 seats (together with coalition partner MoDem) in the 577-member assembly, his honeymoon period is proving to be rather short-lived. The low turnout of 42.6% on June 18 has raised eyebrows, particularly when compared to the 75% turnout on May 7, when the 39-year-old Macron was swept into the Elysee, riding a political wave of change that had not been seen since the founding of the fifth republic in 1958.

### Parliamentary win

Nevertheless, it is abundantly clear that the French Assembly reflects change. As President Macron had promised, half of his La République en Marche's (LREM's) elected members are newcomers to elected public office. They represent diverse backgrounds – academics, business, social activism, entrepreneurship, etc. Other LREM members are the centrist moderates from the traditional Socialist and Republican parties who switched platforms. The new Assembly has 223 women members, the highest number ever, with the majority from the LREM which had fielded 50% women candidates. Republicans and their allies are down from 229 to 136 seats while the Socialists and their allies have been reduced from 284 to a mere 44 seats! The far-left Le France Insoumise led by Jean-Luc Mélenchon has done well by winning 17 seats while the far-right National Front has improved its standing from two seats to eight, well short of the mandated 15 seats needed

for recognition as a parliamentary group.

Even though it is a handsome majority for President Macron's 14-month-old party, the LREM, which has won 308 seats, it is less than the earlier projections that varied between 380 and 440! The resignation of MoDem partners – Justice Minister Francois Bayrou and Marielle de Sarnez, junior minister for European Affairs, on Wednesday has been a political setback. Defence Minister Sylvie Goulard, also a MoDem ally, had stepped down a day earlier, amid reports that MoDem has been placed under investigation for misuse of European Union parliamentary funds (she is a former member of the European Parliament). The MoDem resignations follow the resignation of Richard Ferrand, Minister for Territorial Cohesion and a close ally of the president, following an expose about his earlier financial impropriety in *Le Canard Enchaîné*.

It is a harsh lesson because one of Mr. Macron's first promises was to clean up political corruption for which Justice Minister Bayrou had introduced legislation in early June. The proposed reforms include removing the Special Courts and subjecting MPs and civil servants to normal judicial proceedings; limiting the number of elective offices that a French politician can hold at a time; and doing away with the practice of hiring family members from public funds, a disclosure that torpedoed Republican candidate Francois Fillon's presidential bid.

These proposals are bound to face opposition from the traditional Socialist and Republicans in the Assembly. In addition, procedures regarding donations and contributions to political parties are to be tightened and made more transparent. MoDem's departure from the cabinet affects Mr. Macron politically but does not impact his legislative agenda as the LREM with 308 seats has a comfortable majority on its own.

In his reshuffle announced on



Wednesday, Mr. Macron has brought in Florence Parly, a former budget official, as the Defence Minister and Nicole Belloubet, a legal expert, as the Justice Minister. Nathalie Loiseau, a former diplomat, has been inducted to look after European affairs. In the 29-strong cabinet, Mr. Macron now has 14 women, in keeping with his campaign promise of maintaining gender parity.

Mr. Macron's challenge will be to keep his liberal, pro-Europe and pro-reform agenda intact while remaining committed to fiscal prudence, in face of a vocal opposition led by Marine Le Pen on the far right and Jean-Luc Mélenchon on the far left. Traditionally, social and cultural liberalism has been a preserve of the left-of-centre parties while right-of-centre groups tend to support liberal economic policies. By puncturing the balloon of populism that both sides were taking recourse to and exposing it as nothing more than politics as usual, Mr. Macron has successfully recreated the liberal pragmatic centre, drawing in the moderates from both left and right and infusing it with new blood. By constituting a cabinet that has Republicans (Prime Minister Edouard Philippe and Finance Minister Bruno Le Maire), and Socialists (Foreign Minister Jean-Yves Le Drian and Interior Minister Gerard Collomb), he has also demonstrated his political skill and will-

ingness to reach out and draw in talent.

Mr. Macron has promised budget savings of 60 billion euros over the next five years even as he reduces the government payroll by 120,000. Corporate taxes are to be brought down from 33% to 25%. There are no plans to tinker with the 35-hour week but he has announced his intention to bring in greater flexibility into the labour market. The biggest challenge will be tackling unemployment, running at over 10% and as high as 25% among the youth. To generate jobs, Mr. Macron has promised public investment of 50 billion euros which includes substantial outlays for job training. While promoting closer ties with EU, he has talked of higher tariffs for non-EU goods and creation of an EU border force for dealing with the growing challenge of immigration.

### Macron's real challenge

In the past six weeks that he has been in his job, Mr. Macron has also displayed confidence on the international stage that has added to his reputation. The six-second, white-knuckled handshake with U.S. President Donald Trump last month has already been the subject of considerable analysis on social media and YouTube. He expressed disappointment with the U.S. decision to pull out of the Paris Accord and tweaked Trump's slogan 'Make America Great Again' on

Twitter to 'Make Our Planet Great Again'.

A week later with Russian President Vladimir Putin, he was forthright in his criticism of Russian state-owned media and its attempts in election meddling. In May, the night before campaigning ended, his election team had disclosed a hacking, resulting in 9GB of data from his campaign site, mixed with fake documents, being circulated on Web-based chat rooms. He also took a firm line on Syria, particularly with regard to use of chemical weapons.

Even with the low turnout, the presidential and the parliamentary elections show that Macron has clearly captured the sentiment of the people. His objective is to keep expanding the centrist turf as a uniting force and remain pro-poor and pro-business at the same time. He has campaigned on a pro-Europe platform and, if Chancellor Angela Merkel wins in Germany in September, he will have an ally with whom he has established a good relationship. The pro-Europe future has to be reconciled with a reassertion of French identity by reviving a sense of optimism about French economy, based on technology, education and innovation.

None of these are easy challenges, but then, it is the first time since the establishment of the fifth republic in 1958 that the French people have elected a president and given him such a strong majority. Four of the five republics since the French revolution in 1789 emerged out of wars in Europe; the fifth in 1958 took shape because of the liberation movement in Algeria. Many believe that the 1992 Maastricht Treaty and the introduction of the euro in 2002 began a peaceful transition to the sixth French republic. The real challenge for Mr. Macron is to keep this transition on track.

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# Debunking myths about the cattle rules

The new rules governing cattle markets only attempt to prevent cruelty



N.L. RAJAH

The cow and all the hoopla around it – political and otherwise – provide periodic bouts of consternation to the nation. This time, the provocation are the provisions of The Prevention of Cruelty to Animals (Regulation of Livestock Market) Rules, 2017. These rules are sought to be lampooned on two main grounds. First, that they are the product of a government with a divisive agenda that is trying to push the creed and beliefs of the majority down the throats of certain communities and classes.

Second, that the provisions of the Prevention of Cruelty to Animals Act, 1960 (PCA) have been used as a convenient peg to hang this devious attempt on. Since not only the devil but also clarity lies in details, let us examine these charges objectively.

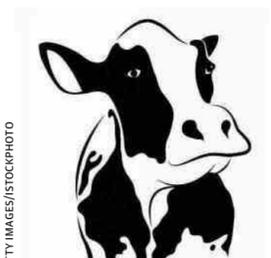
As for the first allegation of communal bias, it may be worthwhile

to note some salient aspects. These rules have been enacted under the power to make rules under the PCA; second, they do not ban slaughter of cows or cattle; and these rules do not prevent anyone from eating beef. So what exactly do the rules do? They seek, inter alia, to regulate the sale and slaughter of cattle and certain other animals. But what has that got to do with the PCA? Therein lies a tale.

### How the rules came about

In a case before the Supreme Court of India, i.e. W.P. (Civil) No.881 of 2014 filed by one *Gauri Maulekhi vs. Union of India and others*, the apex court passed an order dated July 12, 2015 to frame guidelines to prevent animals from being smuggled out of India to places like Nepal where large-scale animal sacrifices take place during the Gadhimai Festival. The allegation was that buffaloes (buffaloes mind you, not cows) were purchased in markets kept there in unhygienic conditions and were transported in appallingly abominable conditions to Nepal where they were slaughtered in large numbers.

The Supreme Court granted a stay of such transportation to



Nepal. It also constituted a committee to suggest solutions to stop these cruelties from being perpetrated on animals. The court then directed the suggestions of the committee to be taken into account and that rules with regard to livestock markets and connected issues be also notified. On July 12, 2016, the Supreme Court by the way of a final order directed the Union government to frame rules under Section 38 of the PCA.

The Animal Welfare Board of India prepared the draft rules incorporating all the suggestions made by the Supreme Court in the above-mentioned case. Thereafter, the draft of the presently impugned rules was notified on January 16,

2017 inviting objections and suggestions within 30 days. Thirteen representations were received regarding the rules, duly examined and incorporated wherever found suitable. The rules were finally notified on May 23, 2017.

Therefore the purpose of these rules was not some sinister plot to push through a communal agenda but merely to comply with directions of the Supreme Court in letter and spirit.

Further, as a matter of fact it was found that it is in the market that cruel practices like hot branding, cold branding, shearing, bishoping of horses, ear cutting in buffaloes, sealing teats of udder with adhesives, etc. actually happen.

It is plain that the attempt was only to prevent these atrocities. In fact, without going into all the above lengthy explanations, just a perusal of Rule 14(h) is enough to debunk the myth of a communal bias in the rules. This rule prohibits "putting ornaments or decorative materials on animals". One wonders whether rules allegedly framed with a communal bias will bring a spanner in the works of several Hindu festivals. One cannot even imagine a Thirussur Pooram festival without the brightly orna-

mented and caparisoned elephants. So, in the light of all this, what great communal bias is discernible in these rules? And how valid is the charge that the PCA has been used as a convenient instrument to further this sinister plot? This is not to say that the rules are perfect. They may be otherwise deficient but that really is for courts to decide.

We must remember that the harmony of our polity is a very fragile one. Never in the history of the human race have people with such mind-boggling diversity of caste, creed, language, customs and culture agreed to come together as a nation and agreed to be bound by the promises offered by a secular and egalitarian Constitution. If there be attempts to disturb this harmony, stern retaliation is in order. However, in burdening every official act with the murk of communal bias, the alarmists will only be reducing themselves to the status of the boy who cried wolf. When the wolf does arrive (one hopes it never does), we may have lost our collective capacity to react.

N.L. Rajah is a Senior Advocate at the Madras High Court

## LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

### In defence of dignity

Did not what Justice C.S. Karnan do till his retirement tarnish the dignity of the post he was holding? He was able to carry on with his tirades and still continue as a judge only because of the difficult impeachment rules ("jailing a judge," editorial, June 22). Had he been in any other government service, he would have been removed. Had the judiciary requested Parliament to initiate impeachment proceedings, it might have fallen on deaf ears, considering that the former has overruled some decisions of the government in the selection of High Court judges. The only available option for the Supreme Court was initiation of contempt proceedings. Just because he was a sitting judge, why should there have been leniency in awarding punishment? When we say everybody is equal before

the law, pleading for leniency on the grounds of the person being a part of the judiciary is against the spirit of the Constitution. I sincerely hope that the collegium bears these incidents in mind while selecting judges in the future. Also, the government should consider granting some sort of administrative powers to the Supreme Court to deal with recalcitrant judges.

B.C. UNNIKRISHNAN NAIR, Kuthiathode

■ The Honourable Supreme Court took a very correct and logical step in convicting a serving judge. I do not understand how the dignity of the highest court in the country was lowered by the judgment. It has, in fact, increased our faith in the judicial system. As mentioned in the judgment against Justice Karnan, the judges gave him enough opportunities to make

amends. It was undignified on the part of an errant judge to seek refuge in a law which was created to safeguard the interest of the oppressed people. It was a clear-cut case of an accused playing the role of an accuser!

TILAK SUBRAMANIAN V., Udipi

### A symbolic gesture?

The selection of Ram Nath Kovind as the presidential candidate by the ruling BJP has taken the Opposition parties by surprise ("Nitish backs Kovind, RJD unhappy," June 22). They cannot vociferously oppose his nomination, for the fear of being seen as 'anti-Dalit'; hence, they had to mull the selection of another Dalit leader. With due respect to the highest chair, the President generally never frames the rules. Hence, the ruling party's move gives an impression that they are politicising what is

supposed to be a post of apolitical nature.

D. MURKHOADHYAY, Kolkata

■ Appointing a Dalit to the highest office as a symbolic measure without providing the community equal opportunities to rise from their backwardness is going to do no good in the long run. The government should learn from BSP's defeat in the U.P. State elections that mere rhetoric and symbolism can't be a permanent tactic to gain votes. This takes the caste system forward and the society backwards. The government should find ways to end the caste system and not promote it.

GAURAV BHATIA, Faridabad

### Trump's India policy

The stance of the Trump administration on various issues concerning India is not clearly known

("American voyage," June 21). Prime Minister Narendra Modi's upcoming visit may clear the mist. Issues like restrictions on H-1B visas to Indian professionals, withdrawal of the U.S. from Paris Accord, surge in hate crimes against Indians need to be raised. However, there also need to be talks on cooperation as regards nuclear energy, maritime security and counterterrorism. The meet could be instrumental in shaping the course of India's future U.S. policy.

VEDANT MISHRA, Utnao

### Kumble bows out

The unceremonious manner in which Anil Kumble had to step down despite showing his interest in taking the Indian cricket forward shows that all was not well between him and captain Virat Kohli ("Kumble's farewell," June 22). The differences

between the captain and the coach could easily have been resolved had there had been a functioning cricket administration. Kumble could have fought it out, but probably looked at the bigger picture and quit. A coach cannot be a cheerleader of the team. He cannot agree with the captain in whatever he says. There should be healthy discussion between players and the coach for the betterment of the team. The class of Kumble can't be questioned. We cannot forget his brave act during the Antigua Test against the West Indies in 2002 when, despite having a broken jaw, he came forward to bowl and picked up the wicket of Brian Lara. Indian cricket stands to lose due to his resignation.

J. AKSHAY, Bengaluru

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LEFT, RIGHT, CENTRE

# Is prohibition the answer?



**HARTMAN DE SOUZA** is a theatre person, journalist and author of 'Eat Dust - Mining and Greed in Goa'

Whether or not people can drink is a debate fuelled by upper-caste hypocrisy, a mix of religious guilt and bigotry

← My late father, Peter, would have spat derision on this debate. When Prime Minister Morarji Desai visited Goa to trumpet the virtues of prohibition, Peter wanted to welcome him at the airport, greeting him with a garland of chamber pots. He was pipped by organisations loyal to coconut and cashew feni lining the road carrying those same artefacts.

**The Morarji era**

Peter's ire surfaced earlier. In 1968 he discovered you couldn't walk into a Mumbai store and walk out

with a bottle. Stubborn, unwilling to visit a fabled Goan 'auntie' in Bandra, he went the 'official' route for a 'permit' to bonded supply. But he also needed a medical certificate admitting he was a confirmed drunkard. Peter never forgave the prohibitionists.

With Morarji at the helm of crusades between 1949 and 1962, prohibition ruled. A paltry amount of 'foreign liquor' was officially allowed; the economics of liquor sidelined. Peter's 'drunkenness' was saved by a law in 1963 allowing permits for over-40s, doctors endorsing their 'need'. In 1968, those

over 21 could drink beer and toddy with less than 5% alcohol without a permit while the minimum age lowered to over-30s for those needing stronger potions.

Maharashtra was forced to change in 1972 after more than 100 people died consuming rotgut. While it became progressively easier to buy liquor, few Mumbai-ites know that, medical drunkenness apart, they still need a 'permit' offering proof they drink in spite of the Bombay Prohibition Act of 1949. Legally, a restaurant must have a segregated area - a 'permit room' - where licensed drunkards can be served. In 2012, let us not forget, Mumbai's ACP Vas-



ant Dhoble, holier than even the Pope, tried to implement the letter of the law before he was put to pasture.

As has happened and continues to happen, if the state wants to get you, the state will. Moreover, where is the evidence that imposing prohibition helped?

**Driving it underground**

Mizoram junked prohibition after 18 years. Haryana imposed it, lifting it like Andhra Pradesh. In Tamil Nadu since the 1940s, it comes awake during elections and is then quickly forgotten.

In Gujarat, dry since 1960, you just need an app for home delivery.

Nagaland, dry since 1989, depends on neighbouring Assam for its flow of liquor. In Bihar, the saviours are Nepal, Jharkhand, West Bengal and Uttar Pradesh.

An editorial in this paper (April 20, 2016) hit the nail on the head: "Banning the sale and consumption of alcohol," wrote *The Hindu*, "has in this country's experience, not been an effective check against its use. It has only criminalised the activity, with disastrous consequences for individual health, the economy and administration - these include bootlegging, liquor mafias, spurious liquor, and a complex illicit police."

When Peter passed away, we found in his wardrobe, behind his suits, a treasure trove of rare whis-

keys given as presents by his many admirers. At his wake - part of the Goan Catholic way of life - we opened every single bottle and saw them to the end.

**Threat remains**

And yet, a real threat remains. Whether one quaffs a good single malt first savoured in 1876, or some excellent Mahua wine around possibly a few centuries before that - leaving the safe English-speaking world we inhabit - the discussion whether people ought to drink or not is fuelled by upper-caste hypocrisy, a complex mix of religious guilt and bigotry.

It's not that different from whether one can legally eat beef or not.



**SHAIBAL GUPTA** is member secretary, Asian Development Research Institute, Patna

The agenda of prohibition is indeed a rational choice for India, with its extreme poverty and infant capitalism

→ The number of liquor addicts worldwide is staggering, approximately two billion. Several studies have found that high alcohol intake increases blood pressure and enhances the risk of stroke and liver cirrhosis. In developing countries, those who drink tend to do so heavily.

For them, alcohol addiction has both adverse health and social consequences, as diverting the resource away from basic necessities such as food and shelter affects the welfare of other members of the

household, especially children and women. Alcohol is a State subject and each State government has the right to decide whether to go for prohibition or not. Total 'prohibition' was introduced earlier in Gujarat and later in Bihar.

**Ruining households**

In poorer States like Bihar, the justification for prohibition is even stronger as alcoholism among men from the economically vulnerable sections is even more harmful, leading to economic ruin of their families. Thus the enforcement of prohibition in Gujarat may not be

that serious, but it is an important social agenda for a State like Bihar.

More recently, the issue of prohibition has reached the national stage. Even Prime Minister Narendra Modi had to acknowledge the contribution of Chief Minister Nitish Kumar in the realm of prohibition during Prakash Utsav in Patna. If the prohibition were pan-national, it would have been an easier proposition; to enforce prohibition in a State is a Herculean task, with issues like porous borders with neighbouring States and the proactive agenda of liquor traders.

Thus, prohibition creates a huge enforcement challenge. Apart from



the plethora of administrative problems, the contrarian 'elite' opinion, even if small, also plays an important role as a disincentive for prohibition or an ideological lubricant for legal sanction and ultimate enforcement. In this scenario, it becomes immaterial what Mahatma Gandhi or the Directive Principles of State Policy have opined on prohibition. After 70 years of Independence, one has to revisit many foundational issues of nation-building. It is against this backdrop that one has to calibrate the justification for prohibition in a poor State like Bihar.

The stage of development of a so-

ciety depends on the surplus it generates. Most of the developed Western countries, in their initial phase of capitalist transformation, were mindful about productive investment. In North America and Europe, the impetus for prohibition was driven more under the rubric of 'pietistic' and 'temperance' movement. The former represented moralistic ethos and the latter gastronomical options and both were essentially extensions of the 'Protestant ethic' which, as German sociologist Max Weber explained, laid the foundation of capitalism.

The Protestant ethic essentially revolved around frugal spending and saving, which lead to productive investment. That was the bedrock on which capitalism was built.

That is why 'pietistic' and 'temperance' movements supported prohibition, which facilitated capitalist accumulation and the industrial revolution. Even though the American Civil War was fought on the agenda of slave labour, both its protagonist and antagonist were united on the question of prohibition. It symbolised both the aspirations of modern capitalism and diabolic form of buccaneering accumulation. Both had an identical belief that prohibition helps accumulation and it was in force in the U.S. till the Great Depression. From this development perspective, the agenda of prohibition is indeed a rational choice for India, with its extreme poverty and infant capitalism.



**M.A. BABY** is a Polit Bureau member of the Communist Party of India (Marxist)

Banning food and beverages is neither desirable nor feasible. It puts unnecessary fetters on freedoms

↑ Banning food and beverages is neither desirable nor feasible in a civilised society. It would interfere with social and customary practices, religious rites and rituals and put unnecessary fetters on individual freedoms. In most of countries in the world and in Indian States like Gujarat and Nagaland where consumption of liquor is banned either totally or partially, breaches in law are more common than their observance.

The U.S., which experimented with prohibition for 13 years from

1920, finally lifted it finding it to be impractical and interfering. For this, the 18th amendment, by which prohibition was introduced, was repealed, the only time that a part of the U.S. Constitution has been revoked. The indirect ban on meat consumption being imposed by the Central government and the attempt of the erstwhile United Democratic Front (UDF) government in Kerala to introduce prohibition of liquor belong to the category of draconian steps that interfere with individual and social freedoms.

The hasty decision on the ban of

liquor outlets and bars taken by the then UDF government had more to do with inner-party rivalry within the ruling Congress than any well-thought-out scheme for social engineering.

**Policy moderation**

Apart from crippling the tourism industry with its adverse impact on the State's finances and employment opportunities, it led to an unprecedented increase in crimes relating to drug abuse and bootlegging. As against 974 cases registered in Kerala in 2013, the State police registered 1,836 drug cases in the first six months of 2016 after the introduction of partial li-



quor ban. Moreover, as observed by a Delhi-based senior Congress leader from Kerala, with the closure of bars, a lot of homes turned into bars, disturbing domestic peace and amity.

The new Left Democratic Front (LDF) policy has been announced after carefully assessing the impact of the closure of bars, the recommendations of the Udayabhanu Commission and the experiences of liquor ban in different parts of the world. The new excise policy is in tune with the LDF election manifesto, which proposed voluntary abstinence in place of prohibition. In a State that has high per capita alcohol consumption, the

new policy recognises the dangers inherent in the excessive consumption of alcohol. It proposes a vigorous campaign against alcoholism and to set up de-addiction centres in every district.

The policy, which takes into account the restrictions imposed by the Supreme Court on highway bars, also provides for reviving the toddy trade by permitting its sale in upmarket hotels. Liquor would now be available in upmarket hotels and domestic lounges of airports. The government will scrap the former UDF regime's policy of closing down 10% of liquor outlets every year. We hope the new policy will help the State retain its prime position in the tourism map of the country as a favourite destination

for corporate getaways, meetings and seminars.

While conscientious objections of prohibitionist lobbies and religious organisations are understandable, the hue and cry being raised by the Opposition parties is politically motivated. Catholic catechism does not directly ban alcohol consumption. It only advocates temperance, advising Catholics to avoid every kind of excess. There are religious orders like the Trappists which have become justly famous for their beer breweries. In comparison, the policies of communist parties including the CPI(M), which enjoin their cadres to practise abstinence and strictly prohibit drunkenness among their leaders, are more stringent.

**SINGLE FILE**

## It's not sedition

SC has ruled that sedition only applies when there is incitement to violence

KARAN THAPAR



I've long suspected we lack the facility to strike the right balance in tricky situations. When discretion and judgment are required, we have a knack of ending up in extreme positions. To put it bluntly, we often get difficult calls wrong.

This was glaringly obvious in the response to Muslims who celebrated Pakistan's victory over the Indian cricket team in the Champions Trophy. Fifteen men who shouted pro-Pakistan slogans and let off firecrackers in Madhya Pradesh and five more in Rajasthan were charged with sedition. Eventually charges were dropped against the Madhya Pradesh 15, but continue for the Rajasthan five. Meanwhile in Mussoorie, Kashmiri traders, some of whom have lived there for 50 years, have been ordered by the traders' association to leave because their children chanted *Pakistan Zindabad*.

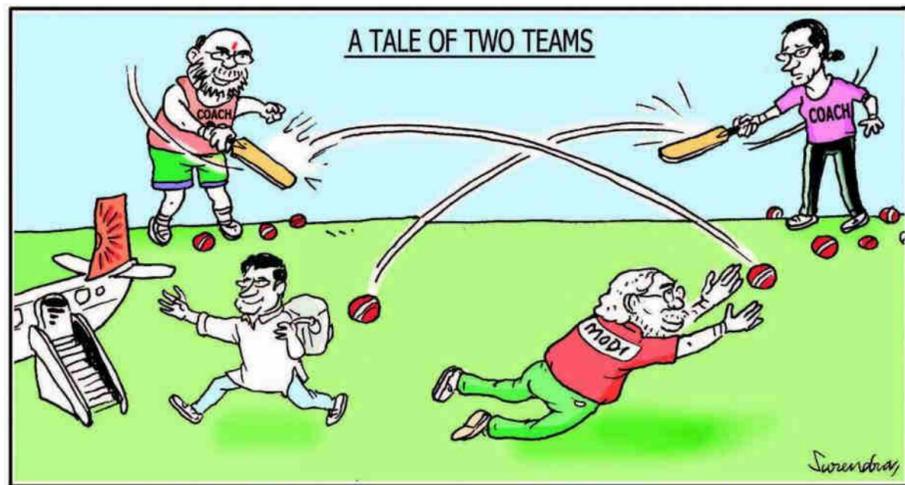
Celebrating your country's defeat may be distasteful and even offensive but it's not a crime. More importantly, it's definitely not sedition. It's in no way different to the behaviour of Indian-origin citizens of Britain who, at the Oval or Lord's, celebrate the Indian team's victory over what is their 'national' side. We, in India, rather like that. Then what moral right do we have to criticise when our own citizens applaud a Pakistani victory? And anyway, isn't that what sportsmanship is about? The sensible thing would be to ignore such slogans and celebrations because, quite clearly, they're seeking a response. If that's too difficult, the next best would be to admonish them. However, there are no grounds for the state or civil society to punish.

**Deliberate misuse of sedition**

Let me now focus on the deliberate misuse of sedition. The Supreme Court has repeatedly ruled that sedition only applies when there is clear and immediate incitement to violence, which is certainly not the case if you applaud, burst firecrackers or shout *Pakistan Zindabad*. The Supreme Court first made this clear in 1962 in the *Kedar Nath Singh* judgment when it read down Section 124A of the Indian Penal Code, which is the sedition clause. In 1995, in the *Bahwanth Singh* case, when it ruled that *Khalistan Zindabad* is not seditious, it upheld the 1962 ruling. More recently, in September 2016, the Supreme Court explicitly reaffirmed this position. So why do our police continue to misuse the sedition law? More critically, why do our elected governments permit and condone it?

Sadly, there are even occasions when some of our most learned and sophisticated politicians get it wrong. In a speech earlier this year in London, Arun Jaitley said: "Free speech does not permit you to assault the sovereignty of the country." He's wrong. As long as that assault is verbal - and not physical and, therefore, violent - it is fully covered by Article 19(1), which guarantees free speech. Furthermore, what most politicians forget is that whilst Article 19(2) permits restrictions on freedom of speech on the grounds of sovereignty, it's an enabling provision and not the law itself. After the law of sedition was read down, such a law no longer exists.

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**CONCEPTUAL**  
**Kuznets curve**  
ECONOMICS

A curve used to demonstrate the hypothesis that economic growth initially leads to greater inequality, followed later by the reduction of inequality. The idea was first proposed by American economist Simon Kuznets. As economic growth comes from the creation of better products, it usually boosts the income of workers and investors who participate in the first wave of innovation. The industrialisation of an agrarian economy is a common example. This inequality, however, tends to be temporary as workers and investors who were initially left behind soon catch up by helping offer either the same or better products. This improves their incomes.

**MORE ON THE WEB**

**Presidential election 2017: Meira Kumar vs Ram Nath Kovind**  
<http://bit.ly/MeiravKovind>

**ACT ONE**

## Inclusion in the Backward Classes list

The select committee's report on the 123rd Amendment is expected in the monsoon session

K. VENKATARAMANAN

A widely welcomed move to grant constitutional status to the National Commission for Backward Classes (NCBC) has also brought with it a whiff of controversy over whether it amounts to encroaching on the domain of the States. The Lok Sabha passed the Constitution (123rd Amendment) Bill, 2017, in April. In the Rajya Sabha, the Bill was referred to a select committee, whose report is expected in the monsoon session. The Supreme Court, in its final verdict in the *Indira Sawhney* (Mandal Commission) case, had directed the establishment of the NCBC as a statutory body. Based on this, a law was passed in 1993 to set up the commission. The NCBC has been examining cases for inclusion in the BC lists for the Central government since then.

The idea behind the proposed amendment is to elevate the status of the panel from that of a statutory

body to a constitutional one, on a par with the National Commissions for Scheduled Castes and Scheduled Tribes.

A clause in the 123rd Amendment says the President may by public notification specify the socially and educationally backward classes in relation to a State or a Union Territory. In respect of States, it will be done after consultation with the Governor. This clause has given rise to fears that the Centre is taking over the function of inclusion and exclusion of communities from the 'Backward Classes' list.

**The Bill's language**

One reason for the apprehension is that the language of the newly introduced sections, pertaining to specifying Backward Classes, is exactly the same as that used in Articles 341 and 342 in respect of Scheduled Castes and Scheduled Tribes. A Constitutional Bench judgment, in

*E.V. Chinnaiah vs. Andhra Pradesh*, ruled in 2004 that the President alone has the power to notify Scheduled Castes/Tribes, and when it comes to varying the lists, the State legislatures do not have legislative competence. Applying the same yardstick to Backward Classes may mean that the President alone may notify the list of BCs for every State, and that it cannot be varied except by a law enacted by Parliament.

Several Opposition parties, which in general welcome the grant of constitutional status to the BC Commission, have said the Bill, if enacted, would undermine federalism, as it amounts to usurping the power of State governments to prepare their own BC lists. The Centre has sought to allay these fears, saying the powers of the States would remain unaffected. In any case, the list for every State will be prepared only in consultation with the State government.

**FROM The Hindu ARCHIVES**

FIFTY YEARS AGO JUNE 23, 1967

## Size of Nizam's wealth remains a riddle

The riddle of the size of the wealth of the late Nizam, rated at one time to be the richest man in the world, came up during a question-answer interlude in the Lok Sabha to-day [June 22, New Delhi] but remained unsolved. Mr. K.C. Pant, Minister of State for Finance, who replied to a question on this subject, said the Wealth Tax returns of the Nizam in 1957-58 showed his wealth as Rs. 3,29,26,912. However it was subsequently found that a part of his wealth had escaped assessment and ultimately his wealth was estimated at Rs. 10,05,76,365. Explaining the divergence between the two assessments Mr. Pant in reply to Mr. S.M. Banerjee said that there were certain trusts founded by the late Nizam and he had disputed the inclusion of these trusts in the Wealth Tax assessment.

A HUNDRED YEARS AGO JUNE 23, 1917

## Club for sick and wounded.

Her Excellency Lady Willingdon this evening opened the new club for the sick and wounded British soldiers in the magnificent pile of buildings known as Moto Mansions situated on the Koregaon Road (Poona). The building is at present the property of Sir Shapurji Broacha who has lent the place to military authorities for the purposes of a club until such time as other premises can be secured. Major General Fowler, in asking Lady Willingdon to declare the club open, said when the idea of a club was first mooted, there was no suitable building in which it could be housed and so they had recourse to Lady Willingdon who asked Sir Shapurji Broacha to lend them this building, which with his usual generosity he promptly did.

**DATA POINT**

**Kumble tops Test charts**

Anil Kumble has been India's most successful coach in Test matches and comes a close second to World Cup-winning coach Gary Kirsten in ODIs

**Test matches**

| Coach               | Period    | Matches | Win%  |
|---------------------|-----------|---------|-------|
| Anil Kumble         | 2016-2017 | 17      | 70.59 |
| Gary Kirsten (SA)   | 2008-2011 | 33      | 48.48 |
| Ajit Wadekar        | 1992-1996 | 22      | 45.45 |
| John Wright (NZ)    | 2000-2005 | 51      | 39.22 |
| Greg Chappell (Aus) | 2005-2007 | 18      | 38.89 |

**One-Day Internationals**

| Coach                 | Period    | Matches | Win % |
|-----------------------|-----------|---------|-------|
| Gary Kirsten (SA)     | 2008-2011 | 93      | 63.44 |
| Anil Kumble           | 2016-2017 | 13      | 62.50 |
| Duncan Fletcher (Zim) | 2011-2015 | 107     | 59.81 |
| Ajit Wadekar          | 1992-1996 | 68      | 58.82 |
| Chandu Borde          | 2007      | 12      | 58.33 |

Source: Cricket statistician Rajneesh Gupta

Note: Only coaches who were around for more than 10 Tests; more than 10 ODIs were considered