



Trouble at the top

Firm intervention is needed to end the unsavoury controversy in the CBI

At one level, what is going on in the Central Bureau of Investigation (CBI) is a 'turf war', a battle of egos between two individuals at the helm. But the unsavoury developments involving the CBI Director and its Special Director are reflective of a much deeper malaise – a big rot at the very heart of the premier investigating agency. That the CBI registered a First Information Report against its own Special Director is extraordinary. The most troubling aspect of the ongoing crisis involving Director Alok Verma and Special Director Rakesh Asthana is that only one of them will be proved right; either way, it is the agency that will be shown in a poor light. If the Director is justified in embarking on a high-profile probe into bribery charges against Mr. Asthana, it can only mean that corruption is so pervasive that even the second-in-command in the agency is not beyond demanding ₹3 crore to let someone off the hook. On the other hand, if Mr. Asthana is shown to be wrongly implicated, and his own charges – set out in a complaint to the Central Vigilance Commission – that other CBI officers are interfering in ongoing probes are proved right, the situation will be no better. It cannot be forgotten that this controversy was preceded only recently with two Directors of the CBI coming under a cloud. The Supreme Court held that the charges that Ranjit Sinha, when heading the agency, sought to help the accused in several cases and interfered in ongoing probes were 'prima facie credible'; as a result, he was asked to keep away from the 2G telecom cases. Similarly, A.P. Singh, another director, was booked last year for alleged links with meat exporter Moin Qureshi. Clearly, the existing procedure for the appointment of CBI Directors, which is made by a committee comprising the Prime Minister, the Chief Justice of India and the Leader of the Opposition, has not stripped the office of controversy.

And now as well, it is the Qureshi case that continues to haunt the agency. Its investigating officer, a Deputy Superintendent of Police, has been arrested on the charge of fabricating a statement by a Hyderabad-based businessman "to corroborate baseless charges" made by Mr. Asthana against Mr. Verma in a complaint to the CVC. The CBI labours under a dual image: an independent agency in the perception of those disillusioned with the conduct of the jurisdiction police, and a 'caged parrot' or a handmaiden of the ruling party at the Centre in the eyes of the national Opposition. Recent developments, in which Central agencies are seen as targeting those in Opposition parties, add to the latter perception and do not augur well for its credibility. To a large extent, the political leadership must bear the primary responsibility for such controversies. It is difficult to ignore the fact that Mr. Asthana's appointment as Special Director was made despite Mr. Verma's vehement objections about his suitability, something the CVC chose to overrule. In such circumstances, it is up to the CVC and the Centre to address the present crisis. A good place to start will be to take Mr. Asthana, whose name already figures in a case, temporarily out of the agency to ensure an impartial probe.

In the net

A wider direct tax base is good news – but the share of direct taxes in the total is still low

The steps taken by the Union government over the last few years to widen its tax base may finally be yielding some rewards. The total number of tax returns filed in the country increased by over 80% over the last four financial years, according to data released by the Central Board of Direct Taxes on Monday: from 3.79 crores in 2013-14 to 6.85 crores in 2017-18. Further, the direct tax to GDP ratio rose to 5.98% in 2017-18, the highest it has been in the last 10 years. The average income reported by individual and corporate taxpayers also witnessed a significant rise in the last three years. With tax growth rate surpassing the growth in GDP, the tax buoyancy factor rose to 1.81. This rise in tax compliance has been attributed to the various measures taken by the Union government to increase compliance, including better gathering of information about sources of income, ease of getting refunds, and lowering of various other tax compliance costs. The total direct tax collection is estimated to be over ₹10 lakh crore in 2017-18, an increase of about 18% from the previous year.

The widening of the tax base is clearly good news for a government which, from the very beginning of its tenure, has declared its intent to improve tax collections. But the contribution of direct taxes to the total amount of taxes collected by the government, which is currently 52.29%, is still below what it was when Narendra Modi became Prime Minister. In fact, the share of direct taxes has fallen every single year since 2013-14, except this year. It is also far too low when compared to its peak of over 60% in 2009-10. In other words, most of the rise in the total tax collection in the last few years has come from indirect tax collections. This year, direct tax collection increased at a higher rate compared to the collection of indirect taxes. Going forward, a further increase in the share of direct taxes will help the government to lower regressive indirect taxes that impose a significant burden on the poor. Direct taxes are also a better choice from the standpoint of economic efficiency as they help avoid the severe distortionary effects of indirect taxes such as the Goods and Services Tax. Amidst increasing global tax competition, India is likely to face pressure to bring down corporate tax rates if it wants to maintain its stature as an attractive investment destination. Efforts to draft a new direct tax code, however, are yet to yield fruit due to bureaucratic delays. The government will do well to address this issue.

Outcomes versus promises

While Russia is seeking to cement its relationship with India, the U.S. wants India to make strategic choices



M.K. NARAYANAN

Russian President Vladimir Putin's whirlwind visit to Delhi earlier this month, lasting less than 24 hours, came just a month after the visits, in September, of U.S. Secretary of State Mike R. Pompeo and Defence Secretary James N. Mattis to participate in the 2+2 Ministerial Dialogue with their Indian counterparts, Sushma Swaraj and Nirmala Sitharaman.

Summit, dialogue

The summit between the Indian Prime Minister and the Russian President is now an annual event, the protocol having been agreed upon by Mr. Putin and Manmohan Singh in 2005. Summits have often led to spectacular breakthroughs – in the 2009 meeting between Dmitry Medvedev and Mr. Singh the log-jam in the long pending sale to India of the Russian aircraft carrier, Gorshkov (since renamed Vikramaditya) could be resolved and, in the latest instance, the inking of the \$5.4 billion S-400 Triumf missile defence system. The recent 2+2 Dialogue between India and the U.S., on the other hand, is a new concept, and while it has been hailed as a path-breaking event paving the way for an avalanche of state-of-the-art defence equipment from the U.S., the outcomes from this initial meet were clearly dwarfed by what took place during Mr. Putin's visit.

The 2+2 Dialogue – a format the U.S. employs with some of its closest allies including Japan and Australia – has given the impression that India has come within the U.S. orbit of influence, detaching itself further from Russia. This impression is further heightened by India

signing on to the Communications Compatibility and Security Agreement (COMCASA) recently. Lost in translation, however, is that India still fancies a close relationship with Russia, one of its most dependable allies.

A comparison of the Putin-Modi summit outcome with the promises made during the 2+2 Dialogue can hardly be a true index of what lies in the future. It may, nevertheless, be worth undertaking. The summit's mega missile defence deal clearly took the shine off any promises made at the 2+2 Dialogue regarding future defence acquisitions from the U.S. Russia's S-400 Triumf, possibly the best missile defence system in the world, comes with no strings attached. There is no Russian equivalent of the Countering America's Adversaries Through Sanctions Act (CAATSA) in place. The S-400 Triumf can be deployed against all enemies, irrespective of any other defence choices that India might have.

Russian steadfastness

There were several other concrete outcomes from the Putin-Modi summit. India and Russia signed on to a document to expand civil nuclear energy cooperation and agreed on a second site for Russian nuclear reactors. They signed a memorandum of understanding on a joint programme in the field of human space-flight, enabling Indian astronauts to be trained in Russia. They also agreed on the virtues of a regional security architecture to provide security to all countries in Asia and in the regions of the Pacific and Indian Oceans. This seemed to demonstrate a clear 'mutuality of interests'.

The 2+2 Dialogue, for its part, marks a paradigmatic change in the nature of India-U.S. relations. It hence needs to be viewed, more appropriately, as the culmination of a long-standing attempt by the



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U.S. to woo India, something that has been in the works for some time. As a prelude to this, the U.S. had renamed the Asia-Pacific as the Indo-Pacific. It had blocked more than \$1.5 billion in U.S. security aid to Pakistan, allotting a mere \$150 million in 2019. U.S.-India economic cooperation was stated to have grown exponentially within two decades, with the total goods and services trade between India and U.S. increasing from \$11.2 billion in 1995 to \$126.2 billion in 2017. U.S. foreign direct investment into India substantially increased during this period. The most important bait was India being accorded the status of a 'major defence partner'.

The underlying theme of the 2+2 Dialogue, notwithstanding all this, seems however, aimed at forging a possible containment of China strategy, with India partnering the U.S. in this effort. The U.S., at present, perceives China as posing a major challenge to its supremacy, and 'the most significant threat to U.S. interest from a counter-intelligence perspective'. Whether China was specifically discussed or not in the course of the 2+2 Dialogue, it was obviously the 400-pound gorilla in the room.

The U.S. has obviously been preparing for this for some time, unleashing a spate of allegations against China. These include an implicit reference to the threat China posed to other nations in the region, including India, given

that China had the second largest defence budget in the world, the largest standing army, the third largest air force, and was rapidly expanding its navy. Specific mention was also made by the U.S. to the Chinese navy's 'anti-access' capabilities and its 'area denial tactics', possibly intended to warn countries in the Indian Ocean Region (IOR) like India of the growing menace posed by the Chinese navy.

Differences in the outcomes of the Putin-Modi summit and the promises made in 2+2 dialogue are thus quite apparent. Russia was essentially seeking to cement a relationship with India that has existed for several years. It was not insisting on any exclusivity as far as relationships go. The U.S. wanted India to view foreign policy perspectives largely through a U.S. prism, and thereafter make a choice. For India to steer between this Scylla of Russia and the Charybdis of the U.S., however, is not going to be easy. Russia has already given a hint that it has the option of other choices, which might not exclude Pakistan. The U.S., meanwhile, tends to behave like a 'jealous mistress' and is insistent on India making the right choice.

The situation is greatly complicated by the fact that the world today faces a post-Cold War situation. The rise of China's economic power and its growing military might, and the re-emergence of Russia are significant pointers to this situation. The U.S., hence, no longer holds all the cards. Additionally, many existing precepts are undergoing changes. For example, the threat to the rules-based international order today comes as much from within existing democracies.

At such a time, the 2+2 Dialogue and the Putin visit within a few weeks of each have left India with more questions than answers on what options to follow. India can hardly alienate Russia as it re-

emerges as a key presence in Asia and Eurasia. Appearing to reject U.S. overtures, while the latter is seen making every effort to provide India with state-of-the-art defence equipment, and acting in tandem with it in groupings such as the Quadrilateral, could prove short-sighted. Mature strategic judgment is called for in these circumstances.

Undoubtedly, India and China have differences on several issues, including problems at several points along the border between the two countries. Many points of divergence with regard to the current world situation also exist. There is also a subliminal struggle between them for the leadership of Asia. Nevertheless, neither India nor China appears ready for an open conflict as it would cost both countries dearly. India is also not unaware of a U.S. lack of resolve to actively resist China's territorial expansion in the South China Sea, and in preventing China from expanding its naval activities in the IOR. The abortive U.S. "pivot to Asia" is a stark reminder of the limitation of U.S. capabilities today.

Go by cold logic

India needs to ponder deeply on what is in its best interests. It should not allow itself to be easily persuaded in the belief that democracies, by and large, offer better choices. It should not reject, without due consideration, what is in its best interest. Its decision needs to be dictated by the cold logic of circumstances. Strategic ambivalence is not an answer to the situation that India faces today. Strategic integrity and autonomy, and mature strategic judgment are required in a world where disruption is the order of the day.

M.K. Narayanan is a former National Security Adviser and a former Governor of West Bengal

The political writing on the wall

Chandrababu Naidu is pursuing a radical strategy by shedding the TDP's traditional anti-Congressism



K. VENKATESHWARLU

N. Chandrababu Naidu, Andhra Pradesh Chief Minister and national president of the Telugu Desam Party (TDP), has again sprung a political surprise. After suddenly walking out of the Bharatiya Janata Party-led National Democratic Alliance, earlier this year, ostensibly over the denial of 'Special Category Status (SCS) to Andhra Pradesh', he is now cosy-ing up to the Congress, in turn shaking the foundation of the TDP which was built on and has thrived on the plank of anti-Congressism.

An about-turn

When Mr. Naidu's father-in-law and former Andhra Pradesh Chief Minister N.T. Rama Rao (NTR) founded the party in 1982, his two-point agenda was to break in the State the uninterrupted one-party rule, since 1956, of the "corrupt" Congress and to restore Telugu

self-respect and pride. An incident, in 1982, of then State Chief Minister T. Anjaiah being "humiliated" by Rajiv Gandhi, then All India Congress Committee general secretary, at Hyderabad airport, was so effectively used by NTR to buttress his 'self-respect and anti-Congress' narrative that he stormed to power in January 1983, within months of founding the TDP.

In August 1984, when NTR was ousted in a revolt by his Finance Minister Nadendla Bhaskara Rao, with covert support from the Congress and then Prime Minister, Indira Gandhi, all non-Congress parties rallied behind him and a popular movement ensured that he was back in power within a month.

The coup "engineered" by the Congress only steeled his and the TDP's resolve to stick to its strident anti-Congress political stand, to the extent that he brought together a disparate Opposition on one platform. NTR, and later Mr. Naidu, played a key role in installing non-Congress National Front and United Front governments in Delhi. Anti-Congressism became a deeply ingrained political philoso-



V. RAJU

phy of not just the TDP leadership but also the cadre.

So what has prompted Mr. Naidu to temper his party's attitude towards the Congress? Is it political bankruptcy or a masterstroke? It appears as if Mr. Naidu hardly had a choice. The TDP's position in Telangana was weakened – down to two MLAs from a reasonably strong party that had 15 MLAs and an MP in the 2014 elections. Barring the two MLAs, most of the others, including the MP, have crossed over to ruling Telangana Rashtra Samithi (TRS), with some of them becoming Ministers in Telangana Chief Minister K. Chandrababu Naidu's cabinet. Some like firebrand MLA A. Revanth Reddy

joined the Congress.

Initially, Mr. Naidu used to say the cadre was still with the TDP in Telangana, but now he knows that the political situation on the ground has changed dramatically. There was no way the TDP can take on the TRS and the Congress. To add to his woes, the TRS spurned his offer of working together in the name of unity of two Telugu regional parties. The TRS also appeared to be gravitating towards the Bharatiya Janata Party, much like YSR Congress Party (YSRCP) in Andhra Pradesh.

Opportunity in crisis

Mr. Naidu may have realised that a political roadblock was inevitable unless he radically recast his political strategy of aligning with the Congress, even if it meant a big ideological shift that smacked of opportunism and invited criticism for watering down the founding principles of the TDP. The 'enemy's enemy is my friend' logic does look unethical, as the TRS has put it, and his detractors have recalled how Mr. Naidu has proved that he still has Congress blood in him, in a reference to his past.

But for Mr. Naidu's supporters,

what was unthinkable till the other day is now a shrewd move that not only gives the TDP a glimmer of hope in Telangana but has also brought together political parties opposed to the TRS – the Congress, the Communist Party of India and the fledgling Telangana Jana Samithi, besides the TDP. The bonus was the isolation of the BJP. They cite Mr. Rao's angry reaction to the TDP-Congress bonding as proof of how he was taken by surprise.

Mr. Naidu often says that he sees opportunity in crises while referring to how the bifurcation of Andhra Pradesh has left the successor State of Andhra Pradesh resource poor and without a capital and how he is turning the corner. The astute politician that he is, he has used the same principle, in quickly changing his political stand in favour of the Congress, triggering political realignment, and sending a strong message to the BJP. It appears that he wants to expand the rainbow coalition experiment of Telangana by piecing together anti-BJP forces just before the 2019 general election.

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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.

Strife in the CBI

It is perhaps the first time in the history of free India that the Central Bureau of Investigation, the country's premier investigation agency, has had to probe its own leadership ("Modi steps in as CBI begins to probe its own leadership", October 23). What is disturbing is that the inquiry is against the agency's second-in-command. One hopes that the Prime Minister will ensure that the guilty are punished and also act in a manner which restores the glory of the CBI.

THARCIUS S. FERNANDO,
Chennai

■ The tussle at the top levels has been reduced to the level of a street brawl. The people concerned appear to forget that the CBI's image and credibility cannot suffer. That the showdown had been brewing for several months does not augur well for the country's ace

investigative agency. The rift should have been resolved in the initial stages. The bribery case registered by the agency should take its own legal course with no interruption by way of shoddy investigation, hurdles, legal loopholes and other infirmities.

V. JOHAN DHANA KUMAR,
Chennai

■ At a time when economic offences, corruption and other types of financial and banking crimes are on the rise, it is a shame that the agencies appointed to guard the country from such evils are themselves facing charges of serious graft. A persistent allegation is that the CBI is under the thumb of politicians as a necessity to protect their self-interests. The agency needs to be kept independent. Since the allegations are serious and have an impact on the credibility of the nation, swift action is essential.

V.S.K. PILLAI,
Vazhappally, Changanacherry, Kerala

Media violations

The Supreme Court deserves praise for flagging the issue of media regulators going soft on erring journalists when it comes to violations in sensitive cases ("Why are media regulators soft with scribes, asks SC", October 23). It is lamentable that a section of the media indulges in sensationalism of the worst kind without taking into account the need for privacy when it concerns the identity of survivors of sexual abuse. More worryingly, media watchdogs prefer to maintain a stoic silence over such brazen acts of transgression. Is there no monitoring of the code of ethics and values?

P.K. VARADARAJAN,
Chennai

Prisons need repair

The writer's suggestion of root and branch reform of prisons in India as they are bursting at their seams has some merit, especially as the crime rate is increasing at an alarming pace (Editorial

page, "Ripe for prison reform", October 23). There should be a sunset clause for commencement of trial. Keeping a person incarcerated for a long period is against the principles of natural justice. Prisons need to have humane conditions but not too humane so that the element of deterrence loses its sanctity.

DEEPAK SINGHAL,
Noida

■ White collar crimes may be increasing, but 'attachment of properties and freezing of bank accounts' may not be alternatives to a jail term. There are innumerable instances of white collar criminals pursuing crime after their release. Punishment in the form of a jail term is a necessary first step towards reformation. But without creating 'prison conditions in tune with human rights norms', reformation is not possible.

KOSARAJU CHANDRAMOULI,
Hyderabad

Khashoggi's death

There cannot be a greater assault on press freedom than the mafia-style murder of dissident journalist Jamal Khashoggi (Editorial, "A shocking mystery", October 23).

There may have been several and enough reasons for Saudi Arabian Crown Prince Mohammed bin Salman wanting to cross swords with an implacable rebel who expected him to reform well beyond allowing women to drive or curtailing the powers of the religious police. While the world looks for a transparent investigation into the murder, the image of the reformist prince has been irreparably damaged.

KANGAYAM R. NARASIMHAN,
Chennai

Misogyny at meet

It is true that there was an unrecurrent of misogyny at a press meet organised by the South Indian Women's Film Association in Chennai last week (OpEd page,

'Notebook' – "When misogyny raised its ugly head at a press meet", October 23). Many of the questions raised by journalists appeared to have been asked without any thought about the sensitivity of the issue. Attention should also be paid to the plight of workers at the lower levels in the cine industry, which was also spoken about at the meet. The event was also a fine example of why women do not speak up – because they are not believed.

There should be no political colour to the #MeToo movement. One hopes that it brings about the required behavioural changes in society with regard to cases of sexual harassment. Safe workplaces for women are a must in every field as the country's growth needs the contributions of women as well.

JAYACHANDRAN A.,
Chennai

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