

# Proletarian Era

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## RAILWAY AND UNION BUDGETS 2007

# Blue print of pro-capitalist neo-liberal economy doused under *aam aadmi* plank

As is customary, union budget 07-08 has been commended in the parliament on 28th February. Prior to that, railway budget was placed on 26th February. Budget, as everyone knows, is viewed as a fiscal weapon in the hands of the government to tackle the standing economic problems in the life of the people. Hence appraisal of any budget has to be on the yardstick as to far it has been able to correctly identify the problems confronting people, properly analyze them and prescribe right course of remedial measures. Proceeding to evaluate the two budgets from that outlook, it

was found at the outset that while the railway minister continued humming the 'much-vaunted turnaround tune' riding on privatization wagon, the finance minister derived pleasure in assuming and so informing that "the UPA government has delivered on the promise of growth, and will deliver on the promise of making growth more inclusive". Railway minister preferred to flaunt his success in the 'splendour and glory' of soaring numerical of profit and surplus without any searchlight on the safety, comfort and amenities of the passengers as well as hefty

extra-budget raises in fares through augmented surcharges and special levies imposed through administrative fiats. The finance minister on the other hand documented the saga of growth in mandatory self-congratulatory passages — in unusually large doses — and in dedicating reams of paper to spell out in great details the achievements in different sectors of economy. He also quoted a line from Saint Tiruvalluvar which says that "If ploughmen keep their hands folded, even sages claiming renunciation cannot find salvation", perhaps intending to indicate how

he was concerned about the plight of the peasants.

### Hoax of Economic Growth

In the issue of Proletarian Era dated 5th March, 2007 we had shown that Economic growth in bourgeois economics is defined as the increase in the real Gross Domestic Product (GDP) which is the value of total output or income originating within the specified geographical boundary of a country or nation. The national income of the country is estimated by either measuring the value of the final

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## Nandigram Genocide by CPI(M) Government : Underlying political implications

After having laid seige on Nandigram with the help of bands of notorious armed criminals continuously for long two months and a half, with repeated assaults killing villagers, the CPI(M) government of West Bengal ultimately perpetrated an unthinkable horrible genocide there on March 14 using a large contingent of police force selectively pooled from different districts, aided and accompanied by other paramilitary combat forces and particularly a huge band of armed hoodlums going as CPI(M) cadres, dressed in police uniforms and armed with lethal weapons used by police or otherwise procured. Faced with all-out protests and condemnations from the entire state and from all over the country,

CPI(M) and the chief minister of its government, Buddhadeb Bhattachajee, admitted that 'the incident' was 'unwanted' and that such things 'will not occur in future'. They further announced that 'no land will be acquired in Nandigram'. It will be a height of folly to think that the CPI(M) leadership and its government which have committed this pre-planned heinous crime, have expressed any honest repentance through these announcements. People of West Bengal have not forgotten that even earlier, after January 7 massacre at Nandigram itself, the very same chief minister similarly declared that 'no land will be acquired in Nandigram without the consent of the local people'. Yet, his party prepared for the genocide

during all these days and now gave effect to this bloodbath, death spree, mayhem of looting and rape - the criminality, brutality, vengeance and savagery which remind only of Jalianwallabag under British imperialist rule and BJP-sponsored pogrom in Gujarat. The actual figure of deaths is yet to be revealed, even it may never be ascertained. According to the villagers large number of dead bodies have been buried under sand and soil, burnt down in brick kilns in adjacent Khejuri or have been despatched elsewhere, van- or car-loaded, to be thrown into river at a safe point. Hundreds are still missing, still more are injured including the village women raped savagely by the CPI(M) goons and the police. Today cries rending

the air of Nandigram speak of the brutal carnage.

People of West Bengal and the media are horrified beyond imagination at the ferocity of killings and its whole modus operandi. At the same time, people of the entire country, particularly those who from outside West Bengal, secure information about the CPI(M) rule here mainly from media and, from that, presumed it to be a powerful 'left' regime, which undertakes progressive, pro-people measures, are struck with awe and are haunted by the most pertinent and intriguing question: how could such a government perpetrate such a heinous crime on the people! Had these people known or understood the real character of this party or

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# Travail of train travel soars but railways boasts operational success

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output consisting of the goods and services produced in the country or aggregating the factor earnings i.e. wages, rent, interest and above all profits. Thus, it is apparent that an increase in GDP is no indicator of equal growth and prosperity of all. Even if a handful of rich earns huge income and amasses fabulous wealth while majority of the populace is down-and-out, the GDP could well-neigh be on an upswing. Hence, the euphoria generated around so-called 'priceless economic growth story of India' is a hoax purported to deceive the people with high-sounding economic phrases and meaningless array of figures.

Before we take a look into the 'claim vs. reality' aspects of the principal areas of union budget that has wider implications and ramifications and try to comprehend the real import of the much eulogized economic growth, a quick glance at the railway budget will be revealing of the gameplan the government as caretaker of the capitalist system has up the sleeves while formulating the budgets.

## Railway Budget—studded with delusions

For the last two years, Lalu Prasad Yadav, the railway minister, has been presenting a 'no fare hike' budget calling it *chamatkar* or a weird formulation. In the previous budget, he even announced with full-scale drumbeating generation of a huge surplus as against usual deficit to flaunt adroit handling of the state of affairs. The bourgeois media and quarters of the establishment called it a management marvel so much so that leading business schools not only domestic but even overseas gulped it as a unique case study of managerial excellence. But it did not take much time for the people to realize the real import of this well-calibrated waffle. Out of the budget, imposition of extra burden on the passengers bypassing the parliament went on in full swing. A sizeable number of trains were upgraded to superfast category to load travel expenditure with a surcharge. However, there was no guarantee in so far as fastness of the journey was considered, not even of reservation of seat. Not only was the quota of premium-paying *Tatkal* (instant reservation) service increased but even the rate of premium was hiked almost 300% to inflate the figure of

inflow 'without touching the fare'. Likewise, cancellation charges were doubled and additional fee slammed on return ticket booking.

While such extra charges were merrily imposed through issue of administrative fiat, there was progressive deterioration in the passenger services whether it was providing adequate safety and security or extension of minimal amenities in the form of rudimentary hygiene, availability of light, fan or water facilities or allotment of a reserved accommodation. In fact, it is not a travel but a kind of travail for the train passengers. There is, so to say, no maintenance at all notwithstanding there being full-fledged maintenance departments. More the railway minister has been brandishing figures of budget allotment towards modernization of operations and renovation of safety devices, more sordid is becoming the state of affairs. It is becoming a nightmare for the women to travel alone. Instances of burglary and snatching are on a spiral. Forcible intrusion of outsiders including anti-socials in the reserved compartments and armed attacks on the bonafide passengers are becoming a normal thing aided and abetted by the security personnel and a section of unscrupulous railway employees. Accidents are no more in the freak or occasional category but have almost come to be reckoned as a strong probability. Just the other day, powerful bombs ripped through two compartments of an important train like Indo-Pak Samjhouta Express killing over 60 people and injuring many. Few months back, similar blasts in Mumbai suburban train wiped out several innocent lives. Let us not elaborate the list as commuters experience it day in and day out whether in local trains or in so-called superfast expresses.

Over and above, there is rampant corruption in each and every area of railway operation—a fact that is no secret to anyone in the country. With every passing day, the intensity and diversity of this unbridled corruption is increasing like anything. Right from out-of-the-way berth reservation against down payment of hefty sum to theft of various parts and equipment as well as procurement of sub-standard material and favouring corrupt contractors, it is a wholesome game that is gaining momentum aided and abetted by the authorities. This in brief is the tale of turnaround in the railways that the minister boasts of

"making money by serving the bottom of the pyramid—the poorer of the poorest— despite reduction in almost all categories of fares."

Finally, we focus on the legerdmain of generating surplus. It is evident from the above discussion that sizeable accretion is taking place through the extra-budget fees and surcharges. But the chunk is coming from large scale privatization initiatives. On the one hand, the railway minister in his characteristic manner is quashing the apprehension of privatization of the Railways. But, on the other hand, he is, so to say, on a spree of privatization. Already many essential services like catering and container movement have been handed over to private operators against payment of hefty sums. These operators are then at large to determine their rules of business including fixing the tariffs and deciding quality. The passengers or transporters are thus left at complete mercy of these profit-seeking operators to be fleeced at random. It is reported that by leasing out catering and parcel services, the railways has, so far, reduced losses by Rs. 1,000 crore. But whose loss it had been and at whose cost has it been brought down? Is it not that by over-emphasizing this so-called loss reduction, what is shielded is the extent of exploitation of the common people in the process? This time the minister is going to hand over operation of dedicated rail freight corridor and high speed passenger corridors, management of *rail yatri niwas* (the railway rest houses for the public in the station premises), modernization of the stations, real estate development on the railway land and even running of tourist as well as short distance high-speed trains to the private entrepreneurs. This is the sleight of hand that the railway minister displayed in playing the trick of surplus creation. Increased privatization of essential public welfare activities like railway transport is part of the doctrine of capitalist globalization and hence has Lalu Prasad Yadav made himself so endearing and praise-worthy to the industry barons and spokespersons of world imperialism-capitalism including authorities of big-brand business schools.

## Union Budget story

We now turn to union budget. With the passage of time, the formulators of the union budget in capitalist India, cutting across the

parties subserving bourgeois class interest are becoming extremely cunning in drafting the proposals so that the chicanery hidden in every line and passage does not get revealed if hitherto followed classical mode of analysis is adopted. So one need to read the budget in conjunction with the Economic Survey of the previous year published a couple of days ago and keeping in mind the prescriptions of capitalist globalization-liberalization-privatization. As everyone knows, the three main problems tormenting the common people in the arena of economy have been unusual spurt in price line fuelled by spiralling inflation, soaring unemployment and huge loss of jobs and the frightening agricultural scenario with thousands of poor peasants committing suicide and dying out of starvation and malnutrition. But the finance minister of the Congress-led CPI(M)-backed government instead of expressing any real concern about any of these assailing aspects began his budget speech by deriving great satisfaction at "the biggest plus" of an improved growth rate of GDP from 7.5 per cent in 2004-05 to 9 per cent (Quick Estimate) in 2005-06 and, according to Advance Estimate, to 9.2 per cent in 2006-07. He then flaunted the success of his government by highlighting the average growth rate in the three years of the UPA Government to be 8.6 per cent.

The finance minister then claimed that he has put "revenues to good use to promote inclusive growth, equity and social justice" of course qualifying in the next breath, "goals that are at the core of the National Common Minimum Programme (NCMP) and close to the hearts of the UPA, its Chairperson and the Prime Minister". This is what is to be understood as the context of a built-up drama around the finance minister's presentation in the parliament -- the equity and social justice as per the definition of the Congress top brass. We now proceed to analyze the veracity of the claims of the finance minister and if his recommended steps would in any way touch even a figment of the problems the people are reeling under.

## Inflation and Price Rise

First of all, we take up the burning issue of unprecedented

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# Supply constraint created by mindless export, speculation, blackmarketing, hoarding

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price rise triggered by spiralling inflation. Economic Survey (ES) of 2006-07 says that this inflation is pulled by excessive demand having its root in increased credit and buoyant growth of money. But at the same breadth, it also says that because of shortcomings on the supply side and poor and inefficient intermediation between the producer and the consumer, prices of essential food items have come under pressure. Hence, handling the supply side rather than stifling demand can only tackle the situation, recommends ES albeit with a rider that the fight against inflation has to be so calibrated that policies contain inflation without compromising growth. However, ES could not but admit that "finding immediate answers to inflation induced by commodity-specific supply shortfalls is difficult" and calls for a "durable solution" that increases supply, especially of foodgrains and pulses. The fact it holds back is that the warning signals were there a year ago. Last year's ES clearly pointed out to inflation as a key risk to otherwise 'rosy outlook'. Yet, why were supplies particularly of primary articles like basic foodstuff so constrained and what this budget has proposed to remedy the situation?

## Saga of supply constraints

Is it that supply shortage was because the domestic production was inadequate? ES informs that total foodgrain production in 2006-07 has been 209.2 million tonnes which is marginally higher than the production of 208.6 million tonnes in 2005-06. Production of wheat and pulses is expected to increase by 4.5 % and 8.2% respectively. It is also reported that wheat was sown in an extra 17.5 lakh hectares this year. But then ES baffles all by commenting that "with a shortfall in domestic production vis-à-vis domestic demand and hardening of international prices, prices of primary commodities, mainly food, have been on the rise in 2006-07 so far." Which of the versions is correct then?

If one is to buy the 'higher domestic production' argument, the question to arise next is where have all the domestic produces gone? Why did the wheat and pulses not

reach the people? This is where the riddle is. If the domestic produces were available to the people at affordable price, how could India's "growth story" which by the government's own admission is not an 'inclusive growth' (that is the prosperity is not evenly shared by all) be so rosy? The so-called growth is propelled by the super-profit earned by the private monopolists which includes substantial earning from roaring trade in food grains and other essential items of life. Junk of the domestic production of essential food items like wheat, pulses, sugar etc. found way outside the country as profitable export items to boost 'economic growth' only to be imported back when international prices firmed up. "In wheat, State Trading Corporation tendered overseas for 55 lakh tonnes of wheat; private trade was permitted to import wheat at zero duty from September 9, 2006; and exports were banned from February 9, 2007" and "In pulses, imports were allowed at zero duty from June 8, 2006" states ES while confessing that "Exports grew fast, but imports grew even faster". And to justify the need of such large scale import after allowing the domestic yield to be exported keeping the countrymen starved of necessary supply, it was informed that the government had just enough stocks to offer less than two chapattis and a bowl of dal to each Indian every day and this was the lowest net per capita availability of food in five years. It is also learnt that last year we exported good quality wheat at a price lower than what we paid to the farmers, making a loss. This year we are importing inferior quality wheat at a price higher than what we pay to our farmers, again making a loss. ES claims that "Government closely monitored prices every week and initiated measures to enhance domestic availability of wheat, pulses, sugar and edible oils by a combination of enhanced imports, export restrictions and fiscal concessions". However, experts opine that with firming up of international prices, the impact of duty-free import of wheat and pulses in rolling the domestic prices back was limited.

Thus while the traders reaped twin benefit of both import and export of the same wheat, the

common people had to swallow the pill of 'supply constraint' and hence made to pay exorbitant price to buy whatever little stuff they could afford with their strung purchasing power.

## Mockery of Public Distribution

ES, however, evades any reference to the role of government's Public Distribution System (PDS) in ameliorating the distress of the poor caused by the stated supply constraint. On the contrary, the finance minister preferred to completely bypass the 'export-import' chapter of 'supply constriction' and informed that to ease the supply position, "The issue prices of food grains under the PDS and for the beneficiaries of the *Antyodaya Anna Yojana* (a special subsidized rice distribution scheme for the poor) have been retained. A Plan scheme for evaluation, monitoring, management and strengthening of the targeted PDS will be implemented in 2007-08..."

But it is known to all that the PDS is virtually non-existent in the country, not because of any supply shortage or any other genuine reason but owing to widespread corruption and malpractices. First of all, there is always a plea at the ration shops that requisite supply has not arrived while the fact is a sizeable portion of the stock is sold out to private operators through backdoor in connivance with the corrupt inspecting and supervising officials. Also colossal wastage takes place because of lack of infrastructure. Such pilferage or wastage takes place even at the government stores. It recently came to light that 7 lakh tonnes of sugar meant for PDS disappeared from government godowns in Maharashtra. Lack of cold storage facilities reportedly leads to wastage of about 40% of the farm produce causing an annual loss of Rs 50,000 crores. (*Economic Times*, 21-02-07) As per a recent government study not even 25% of the food reaches the poor — most of it is sold in the black market. (Arun Firodia, *Times Of India*, dated 28-02-07)

There is aberration in the pricing mechanism as well. The poor belonging to the 'Antyodaya' group get rice at Rs 3 a kg, those belonging to BPL (Below Poverty

Line) get it at Rs 6 a kg, whereas those just above poverty line get it at Rs 9 a kg. This is a sure invitation for malpractice. A shopkeeper shows that he has sold his entire stock to the 'Antyodaya' group and claim maximum subsidy. ES says "the Minimum Support Price (MSP) of wheat was raised by Rs. 50 per quintal and announced well in advance of the sowing season to bring additional acreage under wheat." A subsidy, we know, arises because of the difference between MSP (price at which government agencies are supposed to procure crops from the peasants) and issue price apart from costs of wastage, pilferage, transport and inventory. There is no official monitor of the gap between ex-farm and retail prices of major commodities going into food basket of the average Indian. It would startle everyone to be informed that estimated cost of transferring a subsidy of Re 1 to the poor actually works out to Rs 7 which glaringly shows the extent of malpractices stalking the system. Moreover, it is often seen that ration shop prices of certain items are almost on par with the open market.

So on one side, there is artificially created shortage and then the balance stock which are distributed through the fair price shops are abysmally substandard, if not rotten and contaminated. Equally sordid is the state of affairs in so far as buffer stock is concerned. In 2005, government stocks were reportedly just enough to give 390 grams cereals and 31 grams of pulses to each Indian everyday. For vegetarians, this means that they have no option but to either buy expensive grains and pulses from the open market or suffer the ill effects of a protein-deficient diet.

But the finance minister did not consider necessary to address these burning issues. He only read out some figures of allocation which, as has been seen, will hardly benefit the people but end up fattening the pockets of those making fortunes out of the namesake of PDS and multiplying the peril and misery of the distressed and unprivileged. Not only that. The amount of food subsidy, which indicates the scope of PDS, is slated to increase by only 6.2 per cent in nominal terms as per budget proposals. Such an

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# Huge deficit financing, swelling black money cause inflation spurt

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allocation below even the rate of inflation clearly point out further shrinkage in the PDS volume.

It may be added that our party for a long time has been demanding that this widespread corruption and malpractices in distribution of essential items could be checked if the government introduces all-out state trading in such articles of daily need. But the government, on the contrary, is, as one could see from the above discussion, encouraging more private trade in such items allowing the irregularities to multiply and hoarding and black marketing to soar.

## Open speculation over prices of essential items

Apart from that, the government in keeping with the prescripts of capitalist globalization has introduced derivative trading (a new type of speculation on the stock market) in food grains. Cash rich punters have almost come to dominate the market because their deep pockets allow them to accumulate fairly large position in any commodity they fancy for betting on future price movement and hence they pull strings from behind to maneuver prices through hoarding or destroy stocks to create artificial scarcity. So rampant has been such speculation that the government at least for the time being had to put a ban on such trading. But both ES and the finance minister have spared the punters the blushes. Giving speculators a clean chit, the ES said that they play a role in providing liquidity to the market and may sometimes benefit from the price movements, but do not have a "systematic causal influence on prices". In fact, such speculation would resume once the Abhijit Sen Committee to be set up as per finance minister's budget announcement to look into 'the impact of such speculative futures trading on farm prices' gives its report within two months or so.

These are but a few glimpses at the reasons behind, what the government calls, 'supply bottlenecks' stoking high inflation and back-breaking price spiral. Evidently, the government apart from formal announcement of budgetary grants under different heads is in no mood to take any corrective measure to improve the supplies and make items of essential

need available to the common citizens particularly the down-trodden at affordable price.

## Tale of demand restriction

Like the supply side, measures to tackle the so-called demand side (read extent of money circulation and concentration of cash in the hands of a few rich and affluent) are also equally fraught with all jests and prank. The government argues that to blot out excess liquidity (read reducing the volume of currency notes in circulation) it is asking the Reserve Bank of India to take certain customary steps including curb on credit flow as if it is the loan amount which is bringing excess cash in the market. On the other hand, the government itself is heavily borrowing from the market to finance part of the budgetary deficit (difference between expenditure and earnings). In fact, around 35% of the non-plan expenditure of the government goes towards meeting interest obligation of the massive debt portfolio. To give an idea, interest payment was as high as Rs. 92, 634 crore during April—December 2006, almost on par with the gross fiscal deficit figure of Rs 94, 854 crore. Rest of the budget deficit is met by fresh printing of currency which, it is known to all, increases quantum of money in circulation causing inflation to go up.

## Why this budget deficit

Before we take up the two other important issues of unemployment and agriculture, it might be necessary to discuss in brief the question as to why does the deficit arise at all? To put the answer in simple terms, less earning and more spending. Why is the government earning less? Not because the poor and middle-class are spared of income tax and government's commitments towards development in the truest sense of the term (i.e. improved life standard of all sections of the people) is disproportionately high but due to the fact the government is excessively benevolent to the capitalists, rich and affluent as well as too indulgent an onlooker to the cases of mega-tax evasion or large defaults besides being extremely tolerant with the all-pervading corruption of its tax collecting arms allowing massive amount of due tax money elude the exchequer. On the other hand, there is huge allocation

of funds towards most unproductive areas like military expenditure which has been as high as Rs. 96,000 crores this year though Rs. 3,000 crores out of last year's allocation of Rs. 89,000 crores reportedly lies unspent. Moreover, sustaining a head-heavy administration and profligacy of the ministers cost the exchequer too hefty a sum.

## Taxing poor, sparing rich

A cursory glance at the current tax proposals will be revealing. First, we take up direct taxation. Though the common people are shattered at the mounting assault of skyrocketing price coupled steady decline in real income, there is no tangible relief to them in direct tax proposals. Rather, there is additional impost of 1% education surcharge (over and above existing 2%). Most importantly, the finance minister has indicated widening of the net of service tax that will make the common consumers back-broken further. Service tax, it may be added, is by nature an indirect tax whose liability shifts to the end-user. For example, if one goes to an eatery for taking food or settles a hospital bill, he is made to defray additional expenses to meet service tax obligations of the service provider (eatery owner or hospital authorities). So this a tax recovered at source across the board and is a kind of double taxation since the consumers already bear the burden of the base tax liabilities of the service providers included in the pricing of the service availed. The government which is now so keen to extend this taxation to more number of services to put the common people in further trouble is, however, shrouding the details in secrecy subverting the norm of spelling out all tax proposals transparently in the budget. "The scope of some services that are currently taxed is being expanded or redefined. However, I shall not burden the House with the details", said the finance minister in his budget speech meaning thereby that the government is licensed to fleece the common people through such impost of additional tax in any manner it deems fit and is under no obligation to keep the house informed of the same.

The finance minister, cunning as he is, sought to give an impression that by slashing the indirect tax rates (customs and import duties, excise

or sales tax or lately introduced value added tax) in the current budget, he is aiming at containing prices of commodities. This is another hoax. Everyone knows from experience that whenever the government upwardly revises such duties and taxes, the manufacturers squarely pass that on to the consumers in the form of increased prices. But if the government reduces the rates of such commercial taxes, the manufacturers or marketers hardly bring down the prices proportionately to give any relief to the people. In this perspective, all the announcements of the government about lowering of indirect tax rates provide no succour to the people but prove to be a bonanza for the manufacturers and owners. Thus the common people become losers in every respect. For example, the finance minister has announced that to reward cement manufacturers who hold the price line the present rate of excise duty of Rs.400 per metric tonne would be reduced to Rs.350 per metric tonne on cement which would be sold in retail at not more than Rs.190 per bag. On cement that has a higher MRP, the excise duty will be Rs.600 per metric tonne. But in no time, the cement manufactures came out with a statement that maintaining the lower price line was not possible and there was upward movement of cement price.

On the contrary, despite swelling of corporate profits, corporate tax rates have remained the same. Even the PSUs are sitting on huge cash reserves but are stingy when it comes to paying dividend to the exchequer. On the contrary, a plethora of tax exemptions are announced for the big business and monopolists. Both the existing as well as proposed Special Economic Zones (SEZs) will enjoy complete waiver from all taxes. The real estate developers of the proposed SEZs who are mostly the large corporate houses will also be getting tax holidays which will deprive government of an earning around Rs. 1,00,000 crore. Contrast this with estimated fiscal deposit of Rs. 1,50,948 crores. In other words, 2/3rd of the fiscal deficit is being caused due to this exemption to the realty dealers. The huge speculative earnings from trading of equity shares and equity share-based mutual fund schemes in the stock

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## Is industrialization really possible under intensely crisis-ridden capitalism?

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what their government under the garb of leftism have been doing in West Bengal, it would have been clear enough that the act of naked repression in Singur and carnage in Nandigram in the interest of Tata and Salim, an Indonesian tycoon, respectively, rather more precisely, in the interest of the ruling capitalist class as a whole, is nothing unbecoming of them. For the last thirty years, people of West Bengal have been experiencing how the CPI(M) government is acting against the common people's cause and interest, showing no difference in character with the governments led by any other branded bourgeois parties in other states or at the Centre. The difference lies in the fact that those acts or measures which bourgeois parties in power elsewhere, cannot perform or undertake that efficiently because of their loose organization and leadership, are accomplished more smoothly and efficiently by CPI(M) by virtue of its being a regimented and much more organized party. All the more, it conveniently uses its 'Left' verbiage and 'communist' tag to dupe the vast masses of common and poor people and thereby gain some extra mileage in election politics.

Right from day one, CPI(M) government has been patently suppressing every legitimate mass movement and labour movement, letting loose a reign of terror by the police-administration and the party hoodlums; that only smacked of not just its utterly non-Left character, but fascistic traits in fact. Taking full advantage of this situation, industrialists and owners are mounting all-out attacks on the working class through rampant lay-offs, lock-outs, closures, suspension of works, etc. at their sweet will. On the other side, in his every meet with the chambers of commerce and industries as well as individual monopoly houses, the chief minister, without compunction and to the glee of the owners, warns the workers, that 'no indiscipline in the name of labour movement will be allowed', 'militant trade union movement will never be tolerated', etc. Thus, during the last few decades, let alone any militant trade union movement practically every workers' movement worth its name have been betrayed and silenced

from within and outside by CPI(M)'s trade union wing, CITU, and its government. This has brought the chief minister showers of praises from the monopoly houses of the land and abroad including the title of a 'Friend of Industry'. It is in their interest that the same chief minister advises the workers to keep 'peace in industry at any cost' and 'develop friendly relation with their owners'. All this proves that the party has stooped below the most degraded social democrats of the Second International, who could never dare preach such sermons to the working class. The owners are misappropriating hundreds of crores of rupees of P.F., gratuity and ESI dues, while paying the workers unbelievably low wages, even Rs.50-60 for 12-hours a day without any over-time payment, particularly in many jute mills and sponge iron industry. They are declaring lock-out in jute mills and other industries, in season and out of season, throwing thousands of workers out of job for months together compelling them to commit suicides, or die of starvation; to date there have been 75 such suicides and no less than 1500 starvation deaths among jute workers more than 1000 tea garden workers have faced starvation deaths in last one year and a half, scores have committed suicides, while the tea and jute industries are minting huge profits, as usual. The CPI(M) government has only protected the offending owners or turned a deaf ear to the complaints and demands of the victim workers. The government itself is raising electricity tariff for agricultural purposes, by leaps and bounds, suppressing the agricultural-consumers' protest movement with lathis and bullets, while the increased cost of cultivation and resulting debt-traps force peasants to commit suicides. While the party raises anti-privatization slogans day in and day out, its government aids and abets privatization, commercialization of education and health service making these two vital necessities of life increasingly costlier for the common and poor people. During the last 30 years of CPI(M) rule, West Bengal has slid down from its former first or second position in education in the country to the thirty-second. The

government is enthusiastically encouraging establishment of private hospitals instead of taking care of the government-run ones; the languishing state health service and the condition of the government hospitals have become miserably wretched, reaching the worst in the country. Thousands of factories have closed down, and lakhs of workers thrown out of job, number of registered unemployed approaches a crore. All in all, poverty has assumed a menacing proportion particularly among the lower strata of poor people. Added to it, sheer apathy of this self-proclaimed left government to their abject plight, lead the downtrodden to widely sell out their women and children; West Bengal under CPI(M) rule ranks first in the country in women trafficking!

Such is the condition in West Bengal in which CPI(M) and its government raises the bogey of 'industrialization'. In support of the move, the party and its government claim that only 'industrialization' would arrest, even solve the problem of unemployment. People, without doubt, want the unbearable unemployment problem to be solved. In no way, they are against setting up of industries for that purpose, but not on fertile multi-crop farm land, when there is plenty of barren uncultivable land in the state to serve the purpose.

The point is : is any industrialization at all possible in these days of crisis-ridden capitalist system? Or, is it that there is some hidden agenda, being hatched up under the cover of this plea of industrialization? Industrialization means that with raising of purchasing power of people, which in turn creates and releases greater demands of commodities, industries develop without constraints to meet those increasing demands in the market. Is anything of this kind possible today? Purchasing power of the world people exploited ruthlessly and continuously since long, has reached such a low, that the gradually squeezed world capitalist market is today in the grip of acute market crisis. Even in the powerful imperialist countries, industrial estates are turning into deserts; millions of workers are retrenched there; owners frequently resort to 'downsizing' of labour force to

keep the sick industries alive at any cost. A few industries may come up here and there, with minimum number of workers. The capitalists and their henchmen, the bourgeois economists call it a 'jobless growth' in a "bubble economy" that can revive the economy only temporarily. Globalization is the palliative scheme adopted by the world imperialism headed by the US-imperialists to avert this crisis; which is nothing but an addition to their agenda of neo-colonialism and thus has only reduced the whole world into a hunting ground for their unhindered loot and plunder tearing apart national barriers of market of the underdeveloped countries and dividing and grabbing those amongst the imperialist powers themselves. However, contentions and conflicts among them centring round sharing this booty, grow constantly and parallelly.

Indian monopoly capitalism has, after acquiring imperialist character, become a partner of this globalization process. Indian finance capital of the financial oligarchies like Tatas, Birlas and Ambanis, etc., built up on ruthless exploitation of the common people and workers of the country is now buying or merging with industries even in countries like England and America. Enmeshed in deep market crisis, capitalists are now investing their idle excess capital in stock markets, share speculations, easy money market, service sectors like health and education business, in promotion of real estate business; all these are anything but productive industries that can generate wealth for people and sustained employment. Lenin, the great leader of world proletariat pointed out as long back as in 1916, that capitalism after reaching its highest stage, imperialism, have become moribund and world capitalism is now inevitably faced with such crises. Lenin's worthy disciple and one of the foremost Marxist thinkers of the era, Comrade Shibdas Ghosh, also showed long back, that today without establishment of socialism overthrowing capitalism through anti-capitalist socialist revolution and thereafter large-scale modernization and mechanization of agriculture and continuous industrialization, it is impossible to bring about any permanent solution of unemployment problem. In West Bengal already 56,000 mills and factories are closed down, lots of existing industries are facing

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## Bearing Marxist tag, CPI(M) nakedly serves capitalism-imperialism

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extinction, 1,700,000 workers and employees have lost their jobs during the last 30 years, more than 1 crore are unemployed in the state. In such a condition can raising the bogey of 'industrialization', by CPI(M) and other bourgeois parties be called anything other than a bluff? At best, a few capital-intensive industries with minimum employment potential may come up today here and there. On the contrary, majority of such projects going by the name of industry will actually end up in developing and promoting real estate and construction business, building up of townships and their ancillary superstructures, naturally for the moneyed people. In fact, this is a trend being followed by the capitalists in one and all countries, big or small, advanced or not. Such projects need to be near the cities; for West Bengal in the vicinity of Calcutta, Siliguri or big industrial centres; and the lands required for that should meet these terms first, no matter howsoever fertile farm lands they may be. Barren or less fertile lands are available in Purulia, Bankura or West Midnapur districts. But far off from cities, they do not seem to satiate the greed of the capitalists. It is for this reason only, that the CPI(M) government has come out in rescue of its masters, the monopoly houses and are hell bent upon forcibly acquiring farm lands even perpetrating massacres and genocide to meet the needs of Tatas, Salims or others.

As typical social-democrat, CPI(M) is characterized by deception and double dealing. In speeches, writing and slogans, its leaders always champion against the central government's policy of liberalization-privatization-globalization, while the CPI(M) government in West Bengal stands in the first rung among all state governments of the country in implementing this anti-people policy. They are always pretentiously vociferous against imperialism and imperialist capital and their government in West Bengal invites and accepts huge amount of IMF-World Bank-DFID and ADB loans on most humiliating and anti-people terms and conditions on the plea of 'development' and 'taking advantage of the newer opportunities of globalization and liberalization'. On the same hackneyed plea, it is laying red carpet for the tycoons of foreign multi-nationals, including

the notorious Salim group of Indonesia which had a hand in the annihilation of millions of communists by General Suharto. This CPI(M)-led government term the central legislation of the Electricity Act, 2003, a piece of black Act, but itself implements its blackest provisions through state legislation before the central Act comes into force. It had the SEZ Act passed in the state Assembly in 2003 before the central government enacted the same. CPI(M) publicly accuses the central government for privatizing the PSUs, while the West Bengal government has already prepared a list of more than 26 government enterprises to be handed over to private capital or to be closed down; some of them have already been privatized with services of thousands of workers and employees having been terminated through forced VRS, ERS, etc. in compliance with anti-employee terms and conditions of DFID loans. All these acts and policies, along with others, prove beyond doubt that this party donning the cloak of Marxism devoted itself since long to nakedly serve the interest of the Indian monopoly and foreign imperialist capital. The massacres at Singur and Nandigram to smash the resistance of fighting peasants there, the Nandigram genocide perpetrated primarily in the interest of Salim groups' SEZ, are nothing but inevitable outcomes of these acts and policies. Thus, neither the Nandigram episode is accidental, nor any particular leader or minister is personally responsible for the genocide. What chief minister Buddhadeb Bhattacharjee has done, is in conformity with policies of the party's politburo and plainly in the interest of the ruling class. It is to prove the party's strong-hand efficiency in serving the class and thereupon, to earn blessings of the latter, that the CPI(M) has adopted this path of servitude to capitalists and treachery towards people. They need this blessing to ensure availability of money, media and muscle power to win elections and extend their staying in power in West Bengal and acquire greater all-India strength with a view to dominating over the government at the Centre.

One may wonder if it is then CPI(M) is deviating of late from the politics on which it was born, if it is changing in its political character, or if it is an inevitable culmination of the politics with

which it was born and which has preached all through its days. In 1964 when the CPI(M) was born through a split in the undivided CPI on the strength of slogans like 'Down with the revisionist Dange clique!', 'Long Live Anti-imperialist, Anti-monopoly People's Democratic Revolution!', Comrade Shibdas Ghosh with his penetrating power of analysis showed that like its parent party CPI, the CPI(M), too, instead of developing with a genuine Marxist outlook, correct Leninist methodology of party formation, revolutionary ideology and culture had been formed purely as a petty-bourgeois revisionist party which was sure to practise election-based bourgeois parliamentary politics as its summum bonum. How true was the analysis, is coming out most vividly in the acts of CPI(M) these days. A good number of honest CPI(M) cadres were unable to understand the truth at that time; they are now lamenting. Their power greedy leaders have now become out and out servitors of the imperialists and capitalists, with no compunction at committing massacre of workers and peasants with the help of party-criminals-police combine. This, they have been doing since long; in Singur and Nandigram, they have done it in a big way. They have set an example how party gangsters can be deployed along with police to kill, maim and rape dissenting men and women in a fascistic way, an example which were not to be found even in the days of the British or Congress rule. This is no doubt a very ominous sign in Indian body politic. The CPI(M) leaders, in their bid to secure ministerial gaddi are thus maligning Leftism. Are they unaware or are they ignoring the fact that taking advantage of it, the rightist bourgeois and communal forces are also gaining ground in West Bengal and elsewhere? To fight this danger, to defend the nobility of Leftism and to bring all democratic mass movements to their successful culmination it is now incumbent on all honest CPI(M) workers and sympathizers to sever all relations with this party and join hands with genuine left and democratic movement. In this connection, we must mention the commendable role played by a large section of eminent writers, artistes, cultural activists, law and medical professionals, teachers, students and other sections of intellectuals. Many of them had been with the CPI(M)

or supporting them till the other day. Disillusioned by the fascistic genocide of peasants perpetrated by CPI(M), they are coming out in numbers to streets to join the resistance movement against the government policy in every part of the state.

While taking part in these movements people must also take note of a few important points. It was the BJP, under whose leadership the NDA first formulated the scheme of infamous SEZ and tried to forcibly acquire farm and homestead lands killing Adivashis in Kalinganagar, Orissa. It is still acquiring farm lands wherever in power; it is the perpetrator of genocide in Gujarat and communal riots elsewhere. And now the same BJP leaders rush to Nandigram to express sympathy to the genocide victims! Likewise, Trinamul Congress leadership, which is still a constituent of NDA, is trying to come in the forefront of the peasants' movement. Various groups of Congress — the same party which is acquiring farm lands in a similar way in different states under its rule — are also rushing to Nandigram in a rat race to capture imagination of people, all aiming at capturing votes in elections. CPI(M), too, when it announces lucrative bonanza for the minority community, attempts at drawing the minority community out of the movement, thereby weakening the strength of the latter. This is nothing but surreptitiously playing on communal sentiment as such. People should bear in mind that any cleavage between the Hindu and the Muslim communities will spell disaster to the present movement. They should take all guards against such conspiracies.

It is also to be noted that today governments, either in states or at the Centre and run by one or the other bourgeois and petty-bourgeois parties of any hues, are suppressing all legitimate democratic mass movements and stifling people's voice in a fascistic manner. The CPI(M)-led government of West Bengal has taken an evidently leading role in this respect. The monopoly-controlled bourgeois press and media in general, purposively pointing at this draconian role and character of the CPI(M) government, are continuously maligning communism and Marxism. Well-meaning people should take note of it and should not

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# Only correct leadership and ideology can lead movement to success

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and must not turn against Marxism, the noblest ideology of mankind, from their hostility to CPI(M), a force still bearing the 'communist' and 'Marxist' tags. The fact is that the CPI(M) was never a Marxist party and they are now trampling under feet, even whatever leftism they practised earlier.

People should keep it in mind, so long as imperialism-capitalism will exist crises in public life like farmland acquisition, closure of industry, retrenchment, unemployment, price rise, curtailment of education and health services, etc., will go on increasing and attack on them will come down again and again. On the one hand, to resist these attacks immediately it is necessary to develop people's movement, on the other, it is incumbent on them to accomplish anti-capitalist socialist revolution as early as possible which is possible only with the weapon of correct and scientific philosophy of Marxism. If anybody, being confused with the

anti-communist propaganda of the bourgeois media, and out of hatred against CPI(M), opposes Marxism as such, it will cause incalculable harm to people's movement of today and anti-capitalist revolutionary struggle in future. Today every government in the country is heavily coming down on legitimate movements in a fascistic way, bourgeois parliamentary democracy has been degraded to such a rot in every country, and the so-called sacred Constitution is being amended only to buttress interest of the exploitative bourgeoisie and laws and the courts of law are acting nakedly for them — in such a situation, even for achieving any immediate demand it is essential to develop disciplined, united and protracted movement guided by the lofty ideology of Marxism-Leninism-Shibdas Ghosh thoughts. The movements must be conducive to the objective of achieving this anti-capitalist revolution.

Thus it will not be enough to fight and mere sacrifice and

bloodshed only will not serve the purpose unless the movement is led by with a correct ideology and correct leadership. For this, it will be futile, even wrong, to depend on the media; people themselves have to search out the correct and genuine leadership. People's struggle suffered grave setbacks in the past in spite of great sacrifices, as the struggling masses blindly ran after different bourgeois and petty-bourgeois political parties and leaders without critically judging their character. During the anti-imperialist freedom struggle, the people of the country confused at the bourgeois propaganda and huge mass support, rallied behind the rightist and reformist oppositional leadership of Gandhi instead of the revolutionary trend represented by Bhagat Singh, Kshudiram, Netaji Subhas and others. The Indian bourgeoisie took advantage of that and usurped the power. In West Bengal too, CPI(M) rose to power simply capitalizing on anti-Congress sentiment of the people, while the latter could not properly judge the character of CPI(M) itself due to lack of their political consciousness. Likewise, at this present juncture, the bourgeois media are deliberately pushing people to rally behind the Trinamul Congress-BJP-Congress combine without paying any heed to political character and past performances of these parties. The latter in their turn, with this support

from the bourgeois media have turned busy in preparing their ground for future elections using the anti-CPI(M) mass sentiment in the state. But, at the same time, people of West Bengal are witnessing how SUCI workers are conducting movements facing all onslaughts, torture and repression everywhere in and outside Nandigram and Singur. It is the SUCI workers and organizers who in reality are acting as the bulwark of the movement. For building up these movements as disciplined and sustained ones they are forming people's committees with fighting people, irrespective of their political belief, which are not blindly led by any political party or leader and is not wedded to any petty election interest. They are also building up volunteer corps with courageous students and youths with high moral character. By virtue of sincerity and purposiveness of their struggle, SUCI and its workers have captured imagination and acquired a position of love and respect among people. Fully aware of this, the bourgeois media is taking every pain to suppress the news of all activities of SUCI, lest it emerged to the fore. Instead they are projecting the rightist forces as the mainstay of the movement. This is a danger that people must reckon with and must come forward with all their might to strengthen the movement under the leadership of SUCI.

## SUCI attends ACTION-2007 Programme in Delhi

Under the auspices of ACTION 2007, formed to develop movement against various anti-people policies of the Indian Government and on the demand of repealing SEZ Act a series of programmes were adopted and held in Delhi on and from 15th to 23rd March '07 where our party SUCI participated on being invited as the only one party from all over the country.

On last 15th March a protest meeting was held at Delhi to protest against Nandigram genocide where, along with distinguished intellectuals of Delhi, renowned social activist Medha Patkar and SUCI Central Committee member Comrade Krishna Chakraborty addressed.

On 19th March, a mass fasting programme was held at Jantar-Mantar Road to protest against the Nandigram carnage. The vast gathering on this occasion was attended by, among others, renowned journalist Sumit Chakraborty and Comrade Krishna Chakraborty. Comrades Krishna Chakraborty and Ramesh Sharma of Delhi State Organising

Committee put garlands at the martyrs' column.

At the meeting held on 21st March, specially invited was Comrade Nanda Patra on behalf of Nandigram Bhoomi Uchchedh Protirodh Committee (Nandigram Committee to Resist Eviction from Land) who, upon being introduced by Medha Patkar, was warmly greeted by the delegates assembled from different states of the country. Comrade Patra addressed two gatherings organised on the day.

On 22nd March, on being specially invited, West Bengal State Committee member Comrade Sadananda Bagal along with important organiser Comrade Rupam Chowdhury participated in the People's Court held in Delhi.

In the morning session Comrade Bagal spoke against SEZ and the Nandigram carnage. That apart, Comrades Bagal, Rupam Chowdhury and other SUCI organisers like Comrades Sourav Mukherjee, and Asoke Chowdhury took active part in other programmes also on 22nd and 23rd March.

## AIDSO attends Nepali Students' Conference

The All Nepal National Free Students' Union (Unified) had invited the AIDSO to attend its 16th Conference at Kathmandu. As the only fraternal delegate from a country other than Nepal, Comrade Debashis Roy, Secretary, AIDSO, addressed the open session.

In this open session attended by more than 10 thousand students, other speakers to address were leaders of Nepali Congress, Nepali Congress (Republican), N.C.P.(UML) and Communist Party of Nepal (Maoist) of the 7-party front. Among others who spoke at the gathering were leaders of students' organisations which are partners of the left and democratic movement of Nepal.

Comrade Debashis Roy, in his speech called upon student delegates to develop movements for giving defeat to US imperialists' intervention, Indian expansionism as also the conspiracy of Nepali monarchy.

The delegate session was held at Kathmandu too, with the student organisers of the conference requesting Comrade Debashis Roy to grace the honour of delivering the inaugural speech at the delegate session — an honour ever they delegated previously to any fraternal organisation.

Comrade Debashis Roy also had talks on 23rd and 24th February with Comrade Prokash, General Secretary of CPN (Unity Centre Mashal) — one of the important partners of 7-party front of Nepal and Comrade Shyam Shrestha, one of the leading personalities of democratic and human rights movement of Nepal.

# Budget does not touch even a figment of the problems

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market attract no tax. Even the finance minister has announced that in view of requirement of 20,000 more star hotel rooms for the Commonwealth Games in 2010, all such hotels and convention centers commencing operations in and around Delhi from April 2007 will enjoy 5-year tax holiday.

It is thus clear that the government is having no intention to mop up necessary resources from the profit making corporates, the rich and affluent but squeeze the already dried pocket of the poor and middle-class to the extent possible and persist with a deficit budget.

## Containing money supply—the budget way

Coming back to the issue of arresting excess liquidity that the government and its macroeconomic analysis emphasize upon, we are at a loss as to how certain measures proposed in the budget would work in that way. While boasting of increased inflow of foreign exchange (forex), ES keeps its mouth sealed on the costs imposed on the economy by this pile of foreign money, save its role in augmenting money supply by way of pumping in equivalent amount of rupees in the system (RBI, in order to maintain a demand—supply balance to keep the rupee-dollar or rupee-euro exchange value within a pre-determined band to boost exports buys dollars or euros and against payment in rupees). Now, the government has gone a step further to use a part of this forex reserve borrowing it from the RBI and lend to Indian companies implementing infrastructure projects in India, or to co-finance their External Commercial Borrowings (ECBs) for such projects, solely for capital expenditure outside India as well as invest such funds in highly rated collateral securities, and provide 'credit wrap' insurance to infrastructure projects in India for raising resources in international markets.

First of all, forex reserves cease to be reserves once it is lent. Secondly, when the government is talking of credit restriction as a step to contain spurt in inflation, how come it itself is opening fresh avenues of mega-credit? Where are then the so-called monetary measures of 'blotting out liquidity'? All these are thus bunkums. Neither on the supply side, nor on the so-called demand area, is the budget

going to have any positive impact in so far as reining the spiralling price rise is considered.

## Menace of black money operation

Finally, the government who talks of the sins of surplus liquidity catching up with the national economy leading to demand pressure and inflation, is well aware that the biggest sinner is the huge black money in circulation. In fact, it is a sort of parallel economy in operation. Unofficially, the figure of black money is reported to have crossed 2 lakh crores of rupees. This mammoth sum of money, as one may be aware of, remains outside the purview of any official calculation or accounting. But it by its hidden presence increases the quantum of money supply several times. Inflation is caused when too much of money chases too less of goods pushing the prices beyond limit. Since the calculation of official rate of inflation does not take the impact of black money into account, it reflects a figure much lower than what is the reality. This is how the black money without figuring in the calculation of official rate of inflation distorts the entire picture, contributes to price manipulation, holds the actual rate much above than what is officially announced.

The government is not just callous about that, but is in fact 'very soft' to the operators of black money. In earlier budgets, the government had instead of hauling and punishing the black money holders announced a host of amnesty schemes for voluntary disclosure of unaccounted money as if removing the aberration is upto the mercy of these offenders. But the black money holders only gave the government a slip and the whole exercise proved to be complete farce. Perhaps because of that, even that much customary declaration is also absent this time indicating that the government is in no mood to have a dig at this greatest distorting factor in economy wreaking havoc in people's life in connivance with the administration.

## Bane of Unemployment

We now turn to the problem of mounting unemployment attributable to not only non-availability of jobs, but rapid loss of existing jobs every day, every hour. One does not need to mine out of the warehouse of data to locate the

figure of unemployment in the country. Because of acute market crisis endemic of the capitalist system, one after another the existing industries are either closing down or declaring lock-outs throwing thousands of workers and employees out of job. And no new employment-creating industries are being set up. So unemployment is soaring. If one takes into account the aggregate figures of visible unemployment, disguised unemployment and half-employment, around 50% of the country's 100 crore odd population will be found to be without any gainful engagement. Despite resorting to all sorts of juggleries, manipulations, suppressions and camouflages to arrive at a grossly understated figure, ES could not but confess that the rate of unemployment has gone up in last five years. The survey also comes out with the admission that the higher rate of unemployment is attributable to slowing down of the growth of agriculture, worrisome decline in jobs in the organized sector, government's stated policy of getting out of a large number of sectors and its reluctance to fill up vacancies created due to retirement etc. However lest this surge in unemployment confirms that the much trumpeted 'economic growth' is in fact a jobless growth as is expected in capitalist globalization, ES makes a guarded statement, "Unemployment has gone up not because of high growth, but because growth was not high enough." And then it indicates that only solution was to step up the growth rate so that the higher profits for the private sector translate into higher investments and hence more economic activity.

What a unique shrewd endeavour to obfuscate the truth that such is never possible in the crisis-ridden capitalist economy today where there can never be any true industrialization meaning thereby ongoing uninterrupted set up of permanent job-breeding labour-intensive industries. ES also could not hide that the industries stated to have contributed to the claimed economic growth are "skill-intensive and produce relatively high value-added products." Even the spokespersons of Indian capitalist economy in course of discussions centering on budget and inflation have to acknowledge that "modern industry is highly mechanized and creates few jobs.

Tata Motors and Bajaj Auto have both doubled their production but halved their workforce'. (Swaminathan S Anklesaria Aiyar—ET dated 28-02-07)

Also rural employment spending as a percentage to GDP last year is just 0.33%, which is not only no higher than last year, but even less than 0.4% during NDA regime in 02-03. (NREGP Survey, EPW dated 17-02-07)

## Retail Boom to spell disaster

In further elaboration, the ES adds, "In India, with unemployment, both open and disguised, concerns about over-heating (of economy) are connected more with capacity utilization and skill shortages. Rapid growth in capacity addition through investments can avert the problem of capacity constraints." But where will it take place and how? ES feels organized retail and tourism are the two areas of economic activity that deserves to be boosted for their potential respectively, to link the distressed farm sector to booming industry and services, and to generate large number of low-skilled jobs. But the fact is that tourism is no stable an industry to generate adequate employment to tackle menacing unemployment. On the other hand, the so-called retail boom will practically wipe out the small shop owners and mid-level business now dominating retail thereby rendering millions jobless. This organized retail under the aegis of profit-greedy domestic and foreign monopolists will also in course of time monopolize sourcing of agricultural produces by emerging as price dictators, establishing captive farms, introducing contract farming etc. and thus extend its grip to the agricultural arena displacing a huge number of people from whatever little current engagement they have in cultivation. As against such massive retrenchment on both urban and rural fronts, handful of skilled people might receive some job on stringent terms in these monopoly-controlled retail chains as is common in IT and such other modern technology-driven highly sophisticated capital-intensive new generation industries. And to remind all, this employment-stingy technology-savvy unstable service sector comprising IT, finance, hotel, tourism etc. contributes 55% of the country's GDP whose growth is being celebrated with so much

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# Resist this unbridled fiscal savagery

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sound and fury.

## Budgetary response to tackle spurt of unemployment

But the finance minister did not enter into all these pertinent questions that have decisive bearing on the question of handling the unemployment problem. He closed the chapter by the following sentences in the budget, "The issue of urban unemployment and poverty alleviation is equally critical. Hence, I propose to increase the allocation for Swarna Jayanti Shahari Rojgar Yojana from Rs.250 crore in 2006-07 to Rs.344 crore next year. National Rural Employment Guarantee Scheme (NREGS) ...launched on February 2, 2006... is a demand-driven scheme carrying a legal guarantee of employment, the budget allocation would have to be supplemented according to need. I therefore propose to make an initial allocation of Rs.12, 000 crore (including NER component) for NREGS. I am also happy to announce that NREGS will be expanded from the current level of 200 districts to 330 districts". Incredible indeed! Allocation of Rs. 15,000 crores for 50 crores of unemployed a year or Rs 25 per head per month will eradicate poverty. Who else but a Harvard-educated person can be so 'practical' in resolving a burning problem with due 'empathy'? By the by, the very NREGS meant for giving the rural poor a job for only 100 out of 365 days a year has hardly taken off and as per the finance minister's own admission, two-third of the total 604 districts are yet to be covered under it.

## Dismal agricultural scenario

It is known to all that agricultural sector in the country is in a precarious situation. Since a vast population is dependent on agriculture, continuous deterioration in the system of cultivation is causing huge unemployment. With the prices of seeds, fertilizers, power, diesel (required for operating shallow pumps) soaring sky-high and irrigation and other facilities eluding, the peril and misery of the peasants know no bounds. Unable to afford this escalating cost of cultivation, the poor peasants are forced to take huge loan only to find them incapable of repayment because of

non-availability of remunerative price for their produces. Faced with starvation and tormented by the thought of huge loan repayment, thousands of peasants have been committing suicide throughout the country. There is galloping increase in the number of landless peasants and agricultural labourers. Unable to find any work in the villages, lakhs of rural poor are migrating to the cities only to die in the roadside and footpaths.

Attention needs to be drawn to the fact that if the government is really interested to embark on industrialization as it often pretends to, the purchasing power of the rural masses which is around 70% of the total population must have to increase so much so that they are able to purchase industrial produces and thus create an effective demand. Instead, if this vast populace plunges into the abyss of penury and privation and thus remains out of the demand market, how can tempo of industrial production under capitalism pick up? That is why the aspect of augmentation in the income level of rural population is so intimately linked with the question of industrial development—a fact that the bourgeois parties, pseudo-lefts and quarters of vested interest are trying to hold back.

## Government's response to the peasants' woes

But what is the government's response to such a telling tale of the rural poor? Without mentioning anything about the heart-rending incidents of increasing instances of starvation deaths and mass suicides, the ES only adds that "Low yield per unit area across almost all the crops has become a regular feature of Indian agriculture" and "Variance in rain, exhaustion of yield increasing potential of new high yielding varieties, unbalanced fertilizer use, low seeds replacement rate, an inadequate incentive system are all to blame" for that. The finance minister acknowledges that agriculture "must hold first charge on our resources". And then to buttress that claim, it was made known to the discerning that "the goal of doubling farm credit in three years was achieved in two years. The target of Rs.175, 000 crore set for 2006-07 will be exceeded comfortably and is likely to reach Rs.190, 000 crore. This year, until December 2006, 53.37 lakh new

farmers were brought into the institutional credit system." Then the finance minister hastens to add, "For 2007-08, I propose to fix a target of Rs.2, 25, 000 crore as farm credit and an addition of 50 lakh new farmers to the banking system" and "Government had appointed a Committee under Dr. R. Radhakrishna to examine all aspects of agricultural indebtedness... Government will act on the report as soon as it is received." In other words, instead of giving relief to the farmers and waive their pending loan amounts, the move is to embroil them more in debt trap. Alongwith that, there was of course customary announcements that fertilizer subsidies will rise to Rs.22, 452 crore, procurement price of wheat will be increased and allocation towards irrigation will be Rs 18,000 crores. To douse the allegations that the poor peasants do not receive any benefit of all such subsidies, allocations and procurement prices because of leakages, pilferages and manipulations in between and retail price of foodgrain far outstripping the procurement price, the finance minister observed, "there is a need to recognize that there could be a potential contradiction between a 'remunerative' price for the farmer and a 'fair' price for the consumer in the short run" and "an alternative method of delivering the subsidy directly to the farmer is being explored".

Moreover, while pretending to be so concerned about the stagnation in the production and productivity of wheat and pulses and so keen to increase yield levels of essential foodgrains through technology diffusion, ES makes it evident that henceforth "production of commercial crops is expected to be significantly higher" because "the food processing sector is poised to achieve high growth". In the name of strengthening farm-to-kitchen link, the government is reportedly advocating sweeping tax concessions including zero excise duty for food processing industry. Similarly, when there is a procession of death of the workers in the closed tea gardens of West Bengal, the government, instead of taking any concrete step to come to their rescue, declares shamelessly that "A Special Purpose Tea Fund has been launched for re-plantation and rejuvenation of tea. Government will soon put in place

similar financial mechanisms for coffee, rubber, spices, cashew and coconut". So no matter if the countrymen starve and the peasants terminate their life prematurely; what is important for the government is to switch over to 'cash crops' so that big monopolists, both foreign and domestic, who now find 'food processing' a lucrative sector to reap maximum profit, are not "constrained by supply of raw material".

Exasperated at such thoughtless gimmick to tackle a chronically critical situation and being so insensitive to the distress of the poor peasants and plantation workers, even M S Swaminathan, chairman of National Commission on Farmers, could not but comment, "It is not just the money that is needed, but also the right economic environment for agriculture. The budget proposals should have come with some overall direction."

## Education, Health — mere candidates of fund allocations

Similarly, this budget is equally vague and callous towards other essential public utility areas like education and healthcare. "The inclusive nature of the growth", observes ES, "itself will be conditioned by the progress that is made in the areas of education, health and physical infrastructure. A young girl, when denied the benefit of education, often grows up to be excluded from participating in the growth process"... "an independent survey has revealed that many students learn by Class 8 what they should have learnt by Class 2." But then, without touching even a figment of the problems of dropouts, increased cost, curtailment of higher studies and so forth, the remedy was spelt out in terms of the quantum of the budgetary grants under different heads. Likewise, commitment towards salvaging the near-collapse healthcare system ended with mention of budget allocation and the reporting that "320,000 Associated Social Health Activists (ASHAs or Anganwadi workers) have been recruited and over 200,000 have received orientation training. Besides, 90,000 link workers have been selected by the States."

## Speculation encouraged

While there is no policy direction on any of the areas of serious concern as shown above,

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## SUCI observes 16 March as All India Protest Day against Nandigram Genocide

### A few instances among others :

Top row (from left) : Trivandrum (Kerala), Ranchi (Jharkhand), Chennai (Tamil Nadu)  
Middle row (from left) : Guwahati (Assam), Patna (Bihar), Nagpur (Maharashtra)  
Left : Surat (Gujarat)

## Railway and Union Budget 2007

Contd. from page 9

there is no dearth of so in encouraging speculative activities in the capital market. Budget has decided to allow short selling settled by delivery, and securities lending and borrowing to facilitate delivery, by institutions. This means that those operating in the stock market can go on selling shares even if they do not have physical possession of the same. Even the shares can be borrowed to meet selling obligations.

On the other hand, as a precursor to hand over employees' contributory pension funds to market operators for investing in speculative capital market, local private sector companies have been allowed to participate in the New Pension Scheme, alongside government employees. It is expected that once the necessary legislation is passed, the size of the domestic pension business will touch Rs 2 lakh crores. This will fuel enhanced speculative activities on the bourses and the

contributions of the employees towards pension fund will perforce be exposed to the vagaries of market fluctuation posing serious threat to the very corpus of this social security provision.

### Budget is glaringly anti-people, pro-capitalist

From the above discussion, it is clear that this budget has nothing for the people. In keeping with the precepts of capitalist globalization, this is a blue print to secure the economic interest of the exploiting capitalists. On the foregoing passage, the government document says, "The goal of inclusive growth can be achieved only through effective government intervention in the areas of education, health and support to the needy." But in the next paragraph, it refers to the necessity of Public Private Partnership, a euphemism for handing over core government sectors like education, health, transport, railways to private capitalists to mint super profit.

While the people continue to bleed white under fiscal savagery of worst nature, the capitalist class and its servitors are offered plethora of tax and other monetary concessions. All their defaults, violations and economic offenses are condoned with impunity. It becomes evident that under the garb of 'inclusive economic growth', the budgets, both union and railways, made no bones about intentions to serve the class interest of the ruling capitalists. All the initiatives the budget bristles with including the pretended concern to taper surging inflation are actually craftily designed towards that end. While it is no

surprise that the Congress, like the BJP, will tread the path of downright anti-people capitalist globalization, it is worth to note the perfidious role of the pseudo-Marxists of the CPI(M)-CPI. Hoist with their own petard, they besides customary frothing over some of the anti-people provisions for public consumption via media practically gave a smooth passage to both the budgets in the parliament. We call upon the people to rise up in protest and foil the conspiracy of the class and its trusted representatives to descend upon them worst economic onslaughts through such annual budgetary exercises.

## SUCI in UP Election

SUCI has fielded the following candidates in the coming Uttar Pradesh Assembly election :

District	Constituency	Candidate
Moradabad	Moradabad	Comrade Islam Ali
Pratapgarh	Patti	Comrade Rajmani Viswakarma
Jaunpur	Khutahan	Comrade Dinesh Kant Dubey
Jaunpur	Garwara	Comrade Algoo Ram Verma
Jaunpur	Jaunpur	Comrade Jagdish Chandra Asthana
Balia	Rasara	Comrade Shiv Poojan

Remaining part of the article "Lies Concerning the History of Soviet Union" will be published in the next issue. — Ed. *Proletarian Era*

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