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Tainted Characters in Central Cabinet — An Ominous Feature

The elections are over and the Congress-led United Progressive Alliance (UPA) with full fledged support of the CPI(M)-CPI has formed the government. The Congress has promised a corruption free clean government. But the people have been stunned at the initial glimpse of the cleanliness that this government with the total backing of the CPI(M)-CPI is poised to provide. Persons with tainted background are rewarded with important ministries. Laloo Prasad Yadav who after being chargesheeted for having usurped Rupees 14 billion meant for fodder purchase, was compelled to resign from chief ministership of Bihar. The case is still under investigation. But the Congress and its associates

have made him the cabinet minister of the Railways, a portfolio that involves expenditure in billions. Mohammad Taslimuddin, embroiled in 10 criminal cases including dacoity and rape, MAA Fatima, accused of giving shelter to a close aide of notorious mafia don Dawood Ibrahim, JPN Yadav, languishing behind the bar till the other day for awarding fake B.Ed degrees, have all been entrusted with ministerial responsibilities. Taslimuddin, incidentally, had once to be dropped from the Deve Gowda ministry for his questionable antecedents. Similarly, Yadav had to tender resignation from the Rabri Devi government of Bihar when implicated in the B.Ed degree scam. Yet they had all safe passage to the

cabinet. It is understood that Md Sahabuddin, another dreaded don known to have committed every misdemeanour in the crime book, is also strongly pitching for a ministerial seat. Shibu Soren, another leader of parochial politics and accused of having accepted hefty bribe in exchange of advancing political favour to Narasimha Rao, the former prime minister of the Congress, also figures prominently in the list of ministers. One does not know how many more such persons the list would include in the future to lend credence to the "secular" character of this government that the CPI(M)-CPI so boastfully clamour of. When Manmohan Singh, the "gentleman" prime minister was questioned in

this regard, he defended himself by saying that these people are innocent so long as they are not convicted. He may be right from the legal point of view, but where is his moral propriety when the blotted background of these characters is known to each and everyone!

The Congress, as one could see, had to bow down before Laloo in doling out ministries to his lieutenants who managed to clinch electoral victories by dint of indiscriminate use of money and muscle power. How could it be otherwise as Laloo had been its most trusted pre-poll ally duly certified as "secular" by the CPI(M)-CPI who took upon themselves the "great" task of supplying partners to the Congress in its efforts to regain power by dislodging the arch communal BJP. Even the CPI(M) had a pact with Laloo in the elections and hence all the dubious characters included in

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Human Rights — US Style



They claim US is the heaven of bourgeois parliamentary democracy. It is the US Defence Secretary Rumsfeld under whose secret direction dogs are being set on naked Iraqi prisoner

Design Behind Post-Election Stock Market Crash

With the drubbing of the BJP-led NDA at the hustings and the formation of a Congress-led coalition government with the support of the CPI(M)-CPI becoming a certainty, there was an unprecedented crash in the Indian stock market. On a single day, the Bombay Sensitive Index (Sensex) shed 842 points or 17 %, freezing trading twice. Such a free fall in the share prices wiped out a market capitalization of 1,33,602 crore of rupees. This market holocaust was attributed to the apprehension about the stability of the new government, question mark as to whether economic reforms would be pursued and above all certain caustic remarks by top CPI(M) and CPI leaders about disinvestment of public sector units as well as disbanding of the disinvestment ministry.

Hurried commitment to capitalist reforms

Immediately, damage control exercise was initiated by the Congress and its allies. The prime minister designate Dr. Manmohan Singh who as the finance minister in the former Narasimha Rao government spearheaded the

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In stock market speculators are the monarchs

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economic reforms process on the line of capitalist market economy and globalization-liberalization that the interim Deve Gowda government and thereafter the BJP-led NDA carried out in full swing, assured the stock market investors and operators of sustaining the reform process including disinvestment of public sector units. He also requested the outgoing finance minister of the BJP, Jaswant Singh to intervene and the latter readily responded by asking the RBI and domestic financial institutions like the LIC, GIC and scam-tainted UTI to adopt necessary steps to stem the meltdown. Allaying the apprehension about the CPI(M)-CPI scuttling the prospects of reforms, Dr. Singh said, "The Left is firmly committed to the success of this government. They also want to give a strong government which will be growth-oriented." The CPI(M)-CPI leaders, who call themselves left, initially pretended as if they were unrepentant about their anti-disinvestment diatribes and blamed

the market fall on a rightist conspiracy and handiwork of the BJP. Sitaram Yechury, politbureau member of the CPI(M), went a step ahead to demand that "In the crony capitalist economies of Latin America, regular feature is that stock markets fall when there is a change in government...because all ill-gotten wealth of the ruling parties, which are on their way out, is taken out of the stock market. A similar thing seems to have happened here." So he held that to blame CPI(M)-CPI for this plunge is "a deliberate ploy to deflect attention from the real game." (*The Statesman*, 21.5.04) Though how far such market tumbles could be singularly attributed to the parties dislodged from power, is a matter of debate, but Yechury did admit that "crony capitalism" has been operative behind it. Hence the expectation was that he and his party would take the crony capitalism head on. But soon they too began to assuage the feeling of the stock market by saying that "It is not that the Left is anti-reforms. In West

Bengal, we have been doing reforms our way, in our style... We favour reforms that have a human face." When asked if the industrialists are too worried that the reforms process would be distorted, Buddhadeb Bhattacharya, West Bengal chief minister and CPI(M) politbureau member replied, "Why so? So far as I know they are very happy in West Bengal. It is not that Left Front Government does not want reforms. We also want reforms." (*Ganasakti*, Bengali daily run by CPI(M), 14.5.04). Reiterating further, he clarified after meeting the prime minister that CPI(M) leaders are not averse to disinvestment or reforms because they "are not fools". (*The Statesman*, 30.05.04) The CPI(M)-CPI also reiterated that they would ensure full 5-year term to the Congress-led government. Leading industrialists and corporate house giants also issued statements renewing their confidence in the CPI(M)-CPI in treading the path of reforms. They also alluded to how disciplined the CPI(M)-led West Bengal government has been in

successful disinvestment of 15 of the state-owned PSUs. It was also pointed out that the most mega size privatisation of central PSUs were initiated under the Deve Gowda-led UF rule which had the CPI participation from inside and the CPI(M) support from outside. The UF common minimum programme was jointly drafted by P. Chidambaram, the then finance minister and Sitaram Yechury, the CPI(M) politbureau member. This programme which included a comprehensive and concerted policy statement favouring privatization, was approved by all the constituents of the UF including the CPI(M) and based on this policy document, a disinvestment commission was set up. This commission identified 56 major PSUs for disinvestment and the process of disinvestment was set off by selling shares of oil PSU GAIL and telecom PSU VSNL in foreign markets.

All these did work. The situation calmed down. The market bounced back. The foreign
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Tainted Central Cabinet

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the ministry had been its compatriots in the electoral battle against the communal BJP. So the CPI(M)-CPI leaders did not utter a single word against inclusion of these characters in the cabinet. When asked as to how could it accept such people as ministers, the CPI(M) General Secretary, Mr Harkishen Singh Surjeet posed a counter question, "were there not charge-sheeted ministers in the BJP government?" Buddhadeb Bhattacharya, the CPI(M) chief minister of West Bengal, in a diversionary tactic, alluded to the BJP cabinet having ministers guided by the RSS. As if that confers a right on the Congress-led government to induct suspects and criminals in the ministry.

One could very well imagine how safe people would be with such questionable characters in the ministry. There would be immediate fall out of this action of the Congress and the betrayal of the CPI(M)-CPI to the people. But this is not unexpected of them. In fact, all the political parties craving for power in the bourgeois parliamentary system, cannot move

without patronizing the criminal elements. In the present moribund stage of capitalism, the parliamentary democracy as its political superstructure is in total decay. This system can do no good to the people any more. But the exploiting capitalist class, in its bid to provide extra lease to its class rule, is desperately trying to protect the mutilated bourgeois democratic setup by hook or by crook. For that matter, there is free use of the criminals and felons. The political parties serving the class interest of the decadent bourgeoisie, in their penchant for winning elections and to be in corridors of power, are increasingly depending on the criminals and anti-socials. The leaders of these parties give shelter to these dubious characters, provide them immunity against the police-administration and extract complete mileage out of them to brighten parliamentary career. It is this corrupt nexus of the criminals-antisocials-police-administration-governmental political parties that controls elections and calls shots in the power politics today. It has gone to such an extent that these criminals are now occupying the

driver's seat in these parties and even have made it to their highest rungs. So their murky presence is observed not only in the legislatures but even in the council of ministers and that, too, in sizable number.

Quite naturally, the common people are really concerned and anguished at the first rise of criminals as political leaders and ministers. Those who expect a judicial remedy to this menace of criminalization of politics are in fact nurturing an illusion. Had the judiciary been so active and concerned about the menace, how could the Laloo-Soren brigade enter the ministry? There is one more danger if one seeks a legal solution to this problem. Judiciary is no supra-class body. It is one of the principal organs of this bourgeois state and is meant to protect the bourgeois class interest in the ultimate. Earlier we had seen enactment of special laws like MISA, TADA. Of late, we have seen introduction of POTA. The government while promulgating these legislations, talked of applying them to check blackmarketing, illegal possession of arms and terrorist activities. But these

draconian laws have been, in fact, used to nab and harass the political opponents particularly the tested and tried soldiers of democratic mass movements. By falsely implicating the organizers and volunteers of mass struggles against the capitalist onslaughts, the powers-that-be seek to crush legitimate democratic movement. Such would be case if the government subservient to the ruling class gets any opportunity to frame lavish declaredly to debar criminals from entering politics. This rule would be invoked to contain surge of revolutionary movements while the criminals would rave wild under the patronage of the bourgeois political parties and other power hungry opportunists including sham lefts. So the well-meaning people must come forward and build up a strong people's resistance movement against all attacks of the capitalist rulers including criminalization of politics. It is only the pressure of conscious united democratic mass movement of the fighting people conducive to anti-capitalist revolutionary movement that can effectively stall the notorious criminals from entering the arena of politics and force the judiciary to take appropriate action in this regard.

Stock index — indicates speculative capital movement

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institutional investors (FIIs) who exerted excessive selling pressure to pull down the market, began to make selective re-entries. LIC, GIC, UTI started buying in the market expending public money. RBI assured availability of more bank finance at relaxed terms for meeting payment crisis, if any, following the bloodbath in the market. As of now, despite certain erratic behaviour, albeit within bands, normalcy is restored in the stock market. And of course, there has been usual noise of a probe into the matter by the CPI(M), CPI as well as the Congress. Every time there is a steep rise or nose-dive of the stock market, the Securities and Exchange Board of India (SEBI) who as the regulatory authority is supposed to be the watchdog of the market movement, anticipate and forestall such aberrations well in time, rises from the slumber to promise an enquiry to bring the culprits to book. But so far there has hardly been any tangible outcome. SEBI officials whose role in such market manoeuvres has been questioned many a time, end their responsibility by blaming either the bull (who artificially jack up share prices to reap rich harvest by offloading their holdings at stimulated price level) or the bear (who manipulatively bring down the prices to acquire shares at lower cost to cover up short sales position) cartel for the mess. SEBI's reaction to the current volatility has been no exception to that abortive post-mortem.

Stock market is never a barometer of economic health

It may be noted that the protagonists and votaries of the capitalist economic system existing in our country, like their counterparts in the imperialist-capitalist world, always want to highlight the capital market behaviour as the key barometer of economic health of the country. Notwithstanding the emphasis on some macro-economic indicators like GDP, inflation rate, forex reserve, value of the currency etc, the focus is on the movement of the principal stock market indices as if there lie all the shines and lustre of the economy. The recent haemorrhage of the Indian stock market has also been posed as a national disaster that called for salvage operation on a war footing.

Common people who are not aware of the operative part of the capitalist economy, now at a moribund stage, often get carried by such hue and cry over market fluctuation and presume that to be the most important sector to focus attention on. What bearing this capital market operation has on their life, in lessening their incessant toil to eke out a living, in improving their purchasing power, in reducing unemployment, is not clear to them either. Hence before we proceed to examine what actually led to trigger such a massive slide in the stock market indices and what are the implications and ramifications, it is necessary to discuss briefly and in simple terms the stock market operation so that it becomes easy to get the proper perspective.

What is capital market

Capital market, just like any other market, is a place where the buyers and the sellers meet for transaction. The goods or commodities transacted in a capital market, which is an inseparable part of the capitalist economy, are financial securities broadly divided into two categories, shares and debts. Shares are of two kinds -- equity shares and preference shares whereas debt instruments are basically loan papers. The capital market has two components, the primary market and the secondary market. The market where new financial securities are issued is referred to as primary market, and the market where outstanding (or listed) securities are traded is called the secondary market or popularly the stock market. Stock exchanges are pivot of the capital market. They serve as the channels through which primary issues (Initial Public Offerings or IPOs) are offered to the investors and they provide mechanism through which outstanding securities are traded. At present in India the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) are the two prime exchanges through which more than 90 % of the operation is carried out. Over the years, the capital market has undergone lot of changes both in terms of depth and expanse and hence capital market of today when capitalism is in a decadent stage and a stumbling block before the progress of human civilization, is in many ways different from the stock market

during the heydays of capitalism. Apart from shares and loans, there of late have come new hybrid and quasi-instruments and a sophisticated speculation in the form of derivative trade and hedging.

Stock market operation

For brevity's sake and in the context of the recent landslide in the stock market, we confine ourselves to elaborating the concept of equity shares only to give a general idea about stock market functioning. A company may be owned by an individual capitalist, or a monopoly house or a multinational corporation (MNC). But it is not that the entire capital invested is brought in by the owner or the sponsor by debit to his own pocket. The owner can raise resources from the general public (which include both individuals as well as non-individuals like body corporates, financial institutions etc.) by issue of equity shares or units of proportionate ownership. Suppose a company wants to raise a capital of Rs 10 crores from the market by issuing equity shares. So it may issue 1 crore equity shares of face value of Rs 10 per share. But the owner or sponsor may feel that the company is having good prospects and so the investors would be willing to pay a premium over the face value of each share. So he decides to charge Rs 90 as premium. Hence price of each equity share is determined at Rs 100 (i.e. Rs 10 face value plus Rs 90 premium). Therefore he issues 10 lakh shares and collects Rs 10 crores. This is called pricing of equity share or public issue in the primary market. In the era of liberalization, the management of a company is free to determine the issue price of equity shares. Such primary issues could be either from a newly established company to raise initial capital or from an established company for raising additional capital. As already indicated above, the concept of equity share is such that it confers on the holder a proportionate ownership right i.e. if one holds 10 shares of a company that has issued 10 lakh shares, one is deemed to be an owner to the extent of 10 out of 10 lakh shares.

After the primary issue is over, the equity shares so sold or in technical term 'issued' are listed on the stock exchanges for trading. The

number of shares so listed are called outstanding shares. These outstanding shares are then traded in the secondary market or stock market. What is trading? Let us say 'A' purchases 50 equity shares of a company at Rs 100 per share at a total cost of Rs 5000 while 'B' purchases 100 shares of that company at Rs 100. Both A and B alongwith other equity share holders have their names registered in the stock exchange as bonafide equity holders of that company. Equity holders normally expect to receive return on their shares in two ways. The company might make profit in the business and pay out a part of the profit as dividend to the shareholders. Or instead of a cash pay out as dividend, it may allot out of the profit money additional equities to its existing holders as "bonus shares". Once the equities are listed, they are available for trading as commodities of the secondary market. Based on the demand that depends upon several factors, every equity share is quoted at a particular price. So there is a possibility of earning by selling the shares in the market at a price that is higher than the price of purchase. Let us assume that the equity share of the aforesaid company is in demand. So its quoted price is Rs 120 on a day. Holder 'A' may feel that this is a good time to dispose of the shares as he does not expect the price to go up nor does he anticipate any dividend or bonus from the company. So he sells his 50 shares at Rs 120 to another buyer 'C' and receives sale proceeds of Rs 6000 over his cost price of Rs 5000. This gain of Rs 1000 (Rs 6000 minus Rs 5000) is called in market parlance "profit booked". While 'A' is having reasons for selling, 'C' might have his reasons for buying in anticipation of some gains as per his calculations. This is the basis of secondary market operation where outstanding shares change hands at quoted market price. The term market capitalization is defined as the product of the market quote of a share and the total number of outstanding shares. The market capitalisation of the above company with 10 lakh outstanding share at a market quote of Rs 120 is Rs 12 crores. Hence if the price falls to Rs 80, market capitalization would be reduced to Rs 8 crores and so Rs 4 crores would be wiped out.

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Capitalist reforms rap people, regale speculators

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Speculation rules supreme in stock market

So it is clear that the secondary market or the stock market operation is purely speculative in nature. The money involved in trading only change hands and does not find way into any productive investment in broader sense. It is not the common people but big speculators and financial giants who constitute the bulk of stock market operators. For the sake of argument from the capitalist economic viewpoint, an active primary market or more number of primary issues (i.e. raise of fresh capital by companies) indicate an appetite for capital for industrial growth or such other expanding commercial activity. But at present, primary market activity in our country and for that matter, all over the capitalist world is practically nil denoting recession or crisis in the economy. So, the capital is getting channelised in increasing proportion to the secondary market for speculation.

The stock market index

There are at present over 10,000 equity shares listed on the BSE. But not that all are actively traded which once again indicates dismal performance of most of the companies in the crisis-ridden capitalist economy. Hence these are categorized as dormant or non-quoted securities. Only around 100 scrips or equities form part of active trading activity. Out of these, 30 select shares that receive maximum turnover are called blue chips. A basket of these 30 blue chips constitutes the Bombay Stock Exchange Index or BSE Sensex. This is a value-weighted index meaning thereby that each scrip has a definite weight assigned and so all of them do not rank paripassu in the basket. Fluctuation in the price of the scrip having more weightage assigned would affect the sensex movement in greater proportion than the others. The Sensex on a day reflects the aggregate market value of the select 30 blue chips in relation to the average aggregate market value of these shares in the base year of 1978-79 when the Sensex was first constituted. It is assumed that the average aggregate market price of these 30 shares was 100 in 78-79. So if the Sensex is 5000 today, it means that the average aggregate value of the

basket of 30 shares has gone up 50 times. So the money invested in speculation over these 30 scrips has increased 50 times in last 25 years. Similarly, the NSE-50 or Nifty of the National Stock Exchange is an index of 50 shares with 1995 as the base year when the average aggregate of these 50 scrips was deemed to be 1000.

Manipulations in stock market

In this backdrop of speculative secondary market operation, we need to look at the crux of the recent stock market crash that shook everyone. Though the bourgeois economists and financial analysts try to link stock market movement with certain given parameters like economic fundamentals, corporate performance, degree of privatisation and disinvestment, etc, it has of late been seen that capital market dances to a bizarre tune that's all its own. Swings in market capitalization is hardly associated with any commensurate change in the productive investment. It may be recalled that market tumbled down significantly in February last ahead of the disinvestment of some large PSUs announced by the former BJP-led government. So a new term has been coined "sentiment" that moves and shakes the market. A little probe would reveal that this so-called "sentiment" is nothing but the financial muscle and manoeuvring tricks of the speculator lobby who dictates the market movement to suit its interest. With globalization-liberalization coupled with advanced electronic technology, the stock markets of the world are now integrated. There are big global operators who play in the speculative stock markets of various countries to generate wealth. Even at domestic level, there are cartels of large operators in the form of moneyed individuals, stockbrokers, business magnates and even large corporates who engineer rise or fall in the market through master stroke of manipulations.

The manipulations are widely varied. Let us suppose that a large operator or cartel intends to acquire a specified share "X" at a particular price "Y". But for some reason, the prevailing price of that share is above "Y". It would then trigger heavy sale (or dumping) of that share to bring down the price to "Y". Then it would start buying the share at "Y" price, may be in large

volume, to escalate the price. Once the price goes up considerably, it would dispose of the shares acquired at price "Y" to book hefty gains. This is broadly the "bull" operation. Sometimes some brokers go on selling shares more than what they possess. After selling, they manipulate to bring the prices down to acquire the number of shares "short sold" to honour sales commitment. Such crafty manipulations have become regular features of the market. The big stock scams that broke out in the country are also attributable to such manipulative operations by unscrupulous elements taking advantage of the various loopholes in the market mechanism and in connivance with the bigwigs in the bourgeois politics and corrupt bureaucracy.

Foreign Institutional Investors

Of late, the global operators and big market players use Foreign Institutional Investors (FIIs) as conduits. The upswings in or collapse of the market are generally associated with the level of entry and exit of the FIIs. When the FIIs are in buying spree, the market shoots up. But when they press sale button, the market tumbles. The recent market fall also saw the FIIs withdrawing \$ 135 million from the market by way of massive sale or hammering. The investment of the FIIs in the stock market is known as portfolio investment by overseas bodies. At present, around \$ 21 billion dollars of FII funds have found way to Indian stock market. According to a recent report, big US defence companies like Alliance Techsystems have registered with the SEBI as FII. Incidentally, on account of such massive withdrawal of portfolio investment by the FIIs and large-scale manipulation by a particular individual (Nick Leisson of Barring, an investment banking company) there was a serious economic crisis in the South-East Asian countries a few years back.

There is one more angle to this. Many big operators with huge black money find the FII route of portfolio investment extremely profitable both for reaping rich harvest as well as converting black into white. They provide funds to an FII. These FIIs are not supposed to divulge the names of their clients (just like Swiss bank accounts). Only the FIIs maintain a subsidiary book for identification in codes. This

arrangement is called "participatory notes". Technically, participatory notes are offshore derivative instruments that institutional brokerages issue to FIIs where the underlying assets are securities traded on Indian bourses. Moreover, India has a "double taxation treaty" with Mauritius. According to that, if a Mauritian company or citizen invests in the Indian stock market, the tax on the return can be paid in either of the countries. The tax rate in Mauritius is abysmally low and so it is called "tax haven". Hence many corporates and MNCs establish subsidiaries in Mauritius and channelise their funds through those entities to Indian stock market and avoid paying tax in India. Even Indian operators recycle their speculative capital through this route. It may be added that few months back the erstwhile BJP government finding the market volatility crossing limits because of extensive use of participatory note vehicle, pretended to check the inflow by disbanding the system. But it had to retract and eat humble pie as many of the country's big shots and tycoons including politicians within NDA fold were stated to be involved. Similarly there was an empty threat a few years back to review the double taxation treaty. But the then finance minister of the BJP himself intervened to nip the move in the bud. Some quarters apprehended that perhaps the minister was restrained because the interest of his near relatives was found to be in jeopardy. This is how the roaring trade of speculation expunged from any productive investment goes on unabated.

Vortex of capitalist crisis

Capitalism, as we have already mentioned, is now in the vortex of an indissoluble crisis stemming from the inherent contradiction of the system itself. The motive force of production in capitalism is to earn maximum profit. And this profit is generated by way of expropriating the surplus value of labour. The capitalists as owners of the means of production direct all their activities in securing maximum profit through ruthless exploitation of labour. Accumulation of wealth in the hands of few capitalist owners cause pauperisation of the millions of working people

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Fresh US Attack On Cuba

Undeterred by the growing casualty of the US-UK occupation forces at the hands of the Iraqi freedom fighters, torture scandal and worldwide condemnation against this imperialist duo, the US imperialists have not ceased their rabid attacks on and slander against other sovereign countries. For this purpose recently they moved a resolution on so-called violation of human rights in Cuba in the meeting of Commission on Human Rights held on 15th and 22nd April, 2004, which proved suicidal. President Fidel Castro in his May Day speech in Havana, Cuba, gave a befitting reply to such infamy on his country. But the US pirates did not stop with that failed resolution against Cuba in Geneva; they proclaimed a further tightening of economic sanction on 6th May in their attempt to ruin the socialist economy of Cuba and more black measures to threaten its security.

Infuriated at the defeat of the US moved resolution in Geneva and socialist Cuba's rapid progress in creating enormous human capital -- by its progress in the education, health and culture systems which will shortly put Cuba in the first place among all the countries on earth, the US government announced new black measures to make its policy against Cuba even more aggressive and hostile. In a so-called Report of the Commission for Assistance to a Free Cuba — a report bristling with unparalleled blatant lies, born of bitterness,

frustration and dark threats of interference in the internal affairs of another country — prescribed a host of 'strategic measures for achieving the overthrow of the Cuban government, which included, inter alia, making available \$ 59 million over the next two years to pay for actions aimed at destroying the Revolution in Cuba. Among other things this money will be used for creating an international fund to be utilised for sending from third countries mercenaries or hired soldiers to organise counter-revolution there. With this fund the CIA and Pentagon will carry out espionage in and propaganda work against Cuba even through third countries which belong to the US camp or are servile to it. The sanction also drastically reduces dollar remittance of Cubans living in US to Cuba through blatant infringement on the rights of this section of immigrants. Besides, the measures include neutralizing Cuban companies working in the export sector. To do this, they will establish a Cuban Asset Targeting Group for destabilizing Cuban companies and foreign companies which trade with Cuba. Of course such hassles will be created in the name of investigation.

These harsh and brutal measures that, in addition to economic blockade of long 45 years, have been adopted by the US against Cuba are directly aimed at scuttling Cuba's development and reducing to a minimum the hard currency resources which are indispensable

to meet Cuban people's need of food, healthcare, educational services and other essentials.

Comrade Castro in his historic May Day speech referred to the flagrant subversion of human rights within USA and the barbaric attack of the US rulers on the people of the weaker countries and showed vis-à-vis the remarkable progress achieved by Cuba in the overall development of the people. Highlighting the complete freedom enjoyed by the Cuban people under the socialist system, Comrade Castro trenchantly exposed the sheer hypocrisy of the US imperialists in question of protection of human rights. In this connection he referred to the brigandage of the US rulers in Iraq and showed that the miserable condition of the US-UK invaders in the face of heroic resistance by the Iraqi people reminded one of Vietnam war and Algerian war of liberation against French imperialists. "In these types of war the entire arsenal of a hegemonic superpower is rendered superfluous. The superpower can conquer a country with its enormous power but it is impossible to administer and govern that country if its people fights back resolutely against the occupiers," he stressed.

Comrade Castro said, "We Cubans will continue to observe what happens and will continue to wage our most resolute battle against those who dare to advocate political changes based on the physical removal of some of us.

The worst is that those who talk of speeding up such changes are characters whose same old murderous ideas are quite familiar to us.

Now they are once again making themselves hoarse shouting threats of upcoming measures to affect our economy and destabilize the country." He demanded the release of the five Cuban held prisoners by the US government, and who with a sense of heightened dignity are withstanding repression and torture expressive of the most shameful and cruel case of human rights violations. Their condition in federal government prisons, where they are kept in complete isolation, is hardly any better than that of those held captive in the Guantanamo naval base. Com. Castro advised the US government to be calmer, more sensible, saner and wiser in its behaviour with the prisoners. He pointed out that the US imperialists' hatred for Cuba stems from the unexpected resistance a small country has put up against this power and its allies which have plundered the planet. "Cuba's presence is humiliation for those who have imposed the most repugnant system of exploitation that has ever existed on earth."

Finally Comrade Castro declared "To those who persist in their efforts to destroy the Revolution, I simply say in the name of the crowd gathered here on this May Day, as I said at Giron and other decisive moments in our battles: "Long live socialism! Homeland or Death! We shall overcome!"

More Election Campaign Reports

People respond to SUCI Wholeheartedly

Viewing election as a political struggle conducive to building up mass movements on the burning problems in people's life, our party SUCI, fielded 56 candidates spread over 13 states in the just concluded Lok Sabha election. In our last issue of Proletarian Era, we published some excerpts from reports of a few states about their experience during the election campaign and people's reaction and response. Below we publish some more.

Kerala

In our extensive campaign, when we discussed the genuine

problems of the people, the underlying causes behind it and the actual way-out, i.e. building up of people's own alternative through democratic mass movement to which SUCI is the only party committed, people keenly listened and started coming closer.

The out and out opportunist politics of the CPI(M) and CPI leadership had disheartened the rank and file of these parties so much that they remained inactive during the entire election period in many places. They used to be hostile towards us during the previous occasions especially during

elections. But this time, rather than being hostile, there were numerous instances where the ordinary workers and supporters of these parties were coming closer to us and helping us. It was a general feeling among them that "our big leaders are talking rubbish and giving further handles to BJP and Congress, whereas it is only SUCI which is thoroughly exposing them and cornering them."

In one place in Mavelikkara Constituency BJP-RSS supporters started creating trouble, threateningly approaching to disturb our public meeting and to beat our

comrades. All on a sudden, scores of CITU and DYFI cadres assembled challenging the Sangh Parivar forces: "You have no right to disturb their meeting. They are criticizing us also but we are patiently listening. If you create trouble, we shall see to it." The meeting went on peacefully.

In many colonies and settlements which were dominated by CPI(M) we had no entry earlier. But this time we were invited, asked to speak and all came out to listen to our candidate and other leaders. Similarly in many impenetrable

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Stock market crash

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providing the labour for production. Capitalists need market to sell goods. Markets are flagging because the purchasing power of the people, most of whom are workers, peasants or middle class is rapidly dwindling because of capitalist exploitation. This squeezed purchasing power is in turn further shrinking the market. So there is a market crisis for the capitalists and hence they refrain from investing capital in industrial production. In fact existing establishments are being closed because of market crunch rendering millions jobless. This is the vortex we have been talking about. So the capital is becoming idle. But the character of capital is such that it cannot remain idle. This idle capital is employed in the stock market speculation. More crisis ridden is capitalism, more corrupt it is. This corruption is also manifest in the stock market operation through various manipulations, aberrations and mischiefs. On the other hand, the burden of the crisis is shifted on the common people bleeding white under the ruthless capitalist oppression. But the same toiling exploited millions are made to believe that stock market index is the determinant of their well-being, the country's well-being. This country is not that of the poor and have nots but of the handful of rich and speculators. In a class divided society, there cannot be one concept of well being for both the classes.

Hoax of reform with a human face

In the instant case, as soon as the Congress and its allies, including the CPI(M), CPI, were poised to take over, the speculators needed to elicit an approbation from the new incumbents to power to ensure that no hurdle, even for moments, is created before this sleazy market operation. Hence the speculators' lobby, funded and aided by many big corporates, monopoly houses and financial tycoons, pulled strings to put the stock market on tenterhooks. But the new ruling dispensation is no angel compared to the BJP-led NDA. As a faithful servant to the ruling bourgeoisie, this Congress-led CPI(M) supported government too would pursue the policy of globalization-liberalization-privatization and in the name of "investor friendliness" allow

speculations to run amok in the stock market notwithstanding certain initial gimmicks, guarded statements and double-speaks. In fact, both the Congress and its allies including the CPI(M), CPI are already singing pro-reform tunes. They are talking of a reform with a "human face". Incredible indeed! When the so-called reforms are in the interest of the exploiting decadent capitalism, bestriding the country like a deadweight and running a steamroller of oppression on the common people, how can there be a human face to it? How could there be simultaneous serving of the interests of both the labour and capital, the exploited and the exploiter, the pauper and the prince? When the CPI(M) leaders talk of protecting the interests of both the owners and the working class, they in fact advocate the hated theory of class collaboration which is typical of the social-democrats playing the role of compromise between labour and capital and hence resorting to perfidy. The CPI(M) leaders have a genuine approver in Mukesh Ambani, the Reliance Industries chief, who also says that "A reform that fails to address the deprivation of the underprivileged cannot last for long". Ambani also tells the world, "I can assure you that the communists in India will put them (i.e. the reformist leaders of the Chinese Communist party who turned renegades and completed counter-revolution in China - Ed P. Era) to shame."

Disinvestment and stock market collapse

Ambani sounded this note of confidence in the CPI(M), CPI in the context of the market collapse which was sought to be shown as a fallout of certain caustic remarks by the CPI(M), CPI leaders against disinvestment which is part of the reform process. Disinvestment means selling the equity holdings of the government in the PSUs acquired through public money, to private investors in the secondary market and thus hand over the units to private owners. Once through disinvestment the equity holding of the government in a PSU is reduced below 51% the process of privatisation is complete. We have already shown that the CPI(M), CPI are as per their own versions, not against economic reforms, as well as disinvestment. Then why did they

need to suddenly cause a chilly flutter? Because these pseudo-left leaders before the elections told people that the BJP-led government was pursuing pro-rich economic policies and if it is ousted from power and a secular government (meaning for all intent and purpose, a Congress-led government) takes over, the policies would be reversed. What the CPI(M), CPI are surreptitiously shielding in this process is the fact that the economic reforms are of the capitalist class, by the capitalist class and for the capitalist class. Both the BJP and the Congress as well as all other bourgeois parties and opportunists having lust for pelf and power, are bound to implement capitalist reforms. When the belligerent utterances by the CPI(M), CPI leaders were held responsible for the market slide by some quarters, it suited them because that allowed them to tender the plea that a reversal of existing policy would have serious implication on the economy. Hence they would go slow in the process of bringing a reform with a human face. Thus they would buy time, continue to support the Congress and its economic reforms and backtrack from their pre-election promises in the name of compulsion of objective reality. This, in fine, is the saga of anti-disinvestment rhetorics and linking it to the market collapse. It may be added that though the CPI(M) and CPI demanded dismantling of the disinvestment

ministry, they refrained from making any further pitch for that. Even the common minimum programme of the Congress-led coalition duly endorsed by the CPI(M), CPI says, inter alia, that, "generally profit making units will not be privatized." Moreover, though there would be no disinvestment ministry, there will be a disinvestment department under the finance ministry, meaning thereby that old wine remains in a new bottle. Obviously disinvestment of big profitable PSUs in the future is not altogether ruled out. This has also been confirmed by Prime Minister Manmohan Singh.

Stop speculation — a prop of crisis-ridden capitalism

So we have seen that the speculative stock market operation has nothing to do with the economic development of the country. The so-called reform with a human face is a hoax. The sly speculators' lobby and global operators would continue to extract their pound of flesh from the Congress-led coalition supported by the sham Marxists like the CPI(M), CPI. The inexorable laws of capitalism, now in its death throes and increasingly turning towards fascism, would continue to operate. The people would continue to be repressed under the grinding wheel of capitalist exploitation no matter how much the CPI(M), CPI leaders play to the gallery. Only a conscious organised united anti-capitalist movement of the working people under a correct revolutionary leadership can prevent the catastrophe.

AIDSO movement against medical fee-hike in Karnataka

The All India Democratic Students' Organisation (AIDSO), Medical Students' Action Committee (MSAC) and Dental Students' Action Committee (DSAC) have launched a state-wide students' movement against disastrous fee hike in professional education in Karnataka. Encouraged by a Supreme Court judgement, the Congress Government appointed Murgod Committee has fixed a mindboggling amount of Rs.200,000 and Rs.150,000 as tentative annual fees for merit seats in private medical and dental PG courses. The Murgod Committee also is poised to fix similar fees for medical and

dental undergraduate courses which let alone the poor, even the middle class cannot afford.

Condemning these attacks, AIDSO, MSAC and DSAC are organizing movements in Karnataka in different phases. On 12th May a protest demonstration was held at the Mysore Bank Circle, Bangalore and also in other places. 19th May was observed as black day. On that day a huge protest rally of medical and dental college students marched from Hudson Circle to Central Jail (Old), Bangalore. The protest rally was followed by a dharna at the old central jail premises. Comrade V.N.

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People greet SUCI warmly

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hardcore areas of established leftist parties, we found for the first time that they were awaiting us and were even ready to give us contributions. For example the cashew workers of Quilon. This time thousands of them assembled to listen to us, mainly women workers. Coir workers and fishermen in some parts of Alleppey provided another example.

In Kottayam, hearing our announcement, some construction workers stopped our vehicle and requested that our candidate should go to their respective areas and visit their houses. When our candidate went, he found people of the whole locality waiting for him. Such experiences were common among different sections of the people in all the constituencies.

Minority community people, especially Muslims, were attentively lending their ear to us, particularly in Calicut. Afterwards they commented: "Congress is not a dependable ally, rather they are using us as sheer vote-bank".

With the overwhelming support and monetary contributions of the people, we could organize hundreds of public meetings and thousands of street corner meetings, among others.

Karnataka

Following are some reactions from the people during the election campaign :

In Bellary a police constable told people to vote only for SUCI candidates, the fighters. "Others are all thieves, do not believe them" he said.

A teacher said : "SUCI's stand on the communal, pseudo secular and pseudo left parties as being corrupt and opportunistic is true and now it is right time to change after 55 years of experimentation. It is time to elect the right candidate who fights for people's cause."

A renowned artist in Raichur stressed: How long can we go on letting others contest. The exploited should have their own voice, you have done a good job by contesting. I will vote for you and also tell my family, friends and students to do the same. A college lecturer said: None of my friends was interested in elections. We were wondering what was the use of voting for anybody, all are scoundrels. But this time we are very lucky, there is an suitable candidate to vote for. A Muslim

youth said: "If we vote for someone just because the candidate professes our faith, it will not help life improve. Our huts will remain the same, rather if we vote for you our lives could improve." After a speech by a State Committee member of the party, an old man held his hands and wept saying : "Whatever you told — everything was correct. We will have to understand what applies to our lives, and stand by you, that is all."

In Imlapur village, Gulbarga, people said : "You have been coming here for developing movements. It is because of you that we got water, we will vote for you whoever comes."

In Gurmitkal, after a public meeting about 100 peasants said they had never heard such a speech and asked us to take up their movements in their villages. In Medak a person named Anandappa contributed Rs 500 on the spot after attending our public meeting. The people organized a procession garlanding the candidate on their own initiative.

In Bangalore many have expressed a great sense of relief that our being in the contest ensured that their vote was not being wasted.

A police officer said that being on election duty at public meetings of political parties had shown him a difference: "While on duty at other parties' meetings, which are actually mere parading of film stars or swinging to an orchestra, I feel little interest. But refreshingly your public meetings are different. Every such meeting is a matter of education for me. I go back well informed."

In almost all places all over the state hundreds remarked: What SUCI tells is the truth. There is no alternative to revolution. SUCI needs to be strengthened.

In many villages of Gulbarga and Bellary, villagers, even women stopped sitting MP/MLA/Ministers from entering the village saying: "What have you done for us all these years ? If we drink water today it is because of SUCI. They fought for us and got us water."

Jharkhand

Just as common people's hatred for the ruling and parliamentary opposition parties is growing, so also is growing their apathy for election. In this situation, our party, SUCI, had fielded a candidate in the industrial town of Jamshedpur, on its own strength, as CPI and CPI(M) had rejected our appeals for unity. At a

press conference called by our party some of the reporters said: This kind of politics was practised in the freedom struggle, so much talked about. You have kept this trend alive. Among all sections of progressive left-minded people there was moral support for the SUCI. Party comrades made a door to door campaign, asking for votes and contribution to the election fund, and the common people did not send away comrades empty handed. They said : "You are the party of the poor, where else will you get the money to fight in the election?" and contributed generously.

In Jamshedpur, though the CPI union obstructed election campaign in government offices, the employees on their own called the party cadres and helped them campaign. Many also among the bank employees jointly read the party statement and decided to support SUCI. They openly told : "The CPI and CPI(M) has come out in the election in support of the very same Jharkhand Mukti Morcha that has amassed huge wealth by cheating the poor Adivasis, and that left the BJP over seat-sharing disagreement and tied up with the Congress. SUCI has upheld the dignity of the red banner."

In Pasudiha a street corner meeting went on for two hours with crowds of people listening. Afterwards a teacher, charmed by the political stand of the party, said : Many parties hold meetings with empty words and slander. Your speech touches the heart.

In Patka the poverty-stricken people gave shelter and food to the comrades, and helped in the election campaign. Many years ago, departed Comrade Hiren Sarkar, Central Committee member went mile after mile on foot or by cycle in a widespread area and had built up organization. Respect for him remains deeply embedded in poor people's mind. In the election these people worked for the party.

The police-administration obstructed the party campaign in Dumuria and state terror was reigning. But braving all obstacles, the comrades courageously went on with their campaign. In Ghatshila countless bulletins were sold, many group meetings held, and new activists enrolled in the party. In Narsinghar, Swagachira, Baheragora and other such places, large public meetings were held. In these places

the big parties used to distribute liquor and money to buy votes. But after coming into contact with SUCI this time young boys and girls firmly stood up against it.

Haryana

People knew that SUCI is the party that struggled hard to achieve the main demands of their lives. At short notice, people assembled in chaupals to listen to our candidate and party leaders. Many got their names enlisted as volunteers in the election campaign. After hearing the public meeting in favour of our candidate in Mahendergarh Lok Sabha constituency, one ex-military man exclaimed: "You have opened my eyes. Today I understand the conspiracy against the common people. I shall dedicate my remaining life to the call you have given just now."

In contrast to other parties our party comrades approached the people with party leaflets bearing the photos of the candidates and their respective symbols.

With the election campaign gaining momentum, our name was almost wiped off the media but it got its imprints in the people's mind wherever we could carry the message of our party SUCI.

Andhra Pradesh

Though our resources and manpower were meagre our party received overwhelming response from the common people in general and from progressive people and left minded people in particular. Many people said they had decided to boycott elections this time. But on knowing that SUCI was contesting they expressed they would definitely participate by voting for SUCI and they showed their anxiety to immediately check up their names in the voters list.

Many people said that they had been observing our candidates for Anantapur parliament and assembly seats for many years working honestly and dedicatedly for social cause without caring a whit for their personal comforts. They pledged support to them.

Some who have come to know through the press about our contest said when our comrades approached them during the door to door campaign that they had not only decided to vote for SUCI but had also started campaigning in their respective circles. Some cadres of the CPI appreciated our stand of fighting Congress unlike the CPI

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SUCI's Election Campaign

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and CPI(M). One ex-CPI leader was heard counseling the youth around him that if they wanted to learn some good things they should visit the SUCI office. One leader of the CPI in his private conversation with Com. Amarnath said that the leaders of CPI and CPI(M) should have joined with all the left parties and contested at least 120 assembly seats

Assam

In the 4 parliamentary seats in which SUCI contested in Assam we received widespread support from different sections of the people. The booklet containing the appeal of the Central Committee of the party was sold in thousands. The content of the booklet drew widespread appreciation. Besides, leaflets with an appeal of the State Committee were distributed in door to door campaign in all the 4 constituencies. It also generated immense response from the people who, after reading it, contributed freely to the party fund.

One local leader of the Bodo movement in the Mangoldoi constituency, after reading the leaflet, told the local comrades that he intended to work for SUCI and thereafter he campaigned for the SUCI candidate. Many students and youths after reading the booklet and the leaflet joined in the campaigning and some said to the party comrades: "we have received these at the last moment, we cannot do much in this election but contact us after the election, we will work for the party."

It may be noted that many workers of the CPI(M) and the CPI have openly refused to toe the line of their parties to support the Congress(I) and told our comrades that they would not listen to their leaders and would vote for us. Some young workers of these two parties even worked in favour of our candidate in some places of Silchar Constituency even though CPI(M) had its own candidate in that constituency. Some elderly CPI(M) people promised help in building SUCI after the election because they felt that real leftism lies in SUCI alone.

During the election period the party was in the midst of democratic movements on various demands. Apart from explaining the political and economic scenario of the country and the root cause of the

problems, the task of intensifying these movements was urged upon through hundreds of election meetings held by the state leaders and district leaders which were attended by thousands of people braving unprecedented rain during the entire election campaign. It was noted that in many places people did not move even after the meeting was over which continued for 2 to 3 hours. In such places, it took the form of political class. After further discussion, some peasants and students committees for movements were formed. Many have joined in the KKMS and AIDS0.

An elderly person of Tarapur said, "At the fag end of life, I have come to know about a new meaning of politics from SUCI. I don't know whether I will be able to see before my death the establishment of SUCI in power. I wish it."

Tamil Nadu

In Periakulam, election work started from 21 April. The response was tremendous. 22,000 leaflets and 4000 handbills were distributed, and 3000 books were sold door to door. Some people were so receptive that they bought 3, and even more copies of our book. Many contributed to our election fund.

Many people appreciated our party's evaluation in our Appeal. Reading the first few lines of the leaflet, they stood and read the whole of it. They appreciated our standing alone and our criticism of both BJP and Congress. They were glad to find we were not from the CPI or CPI(M).

People from Comrade Venugopal's village came forward on their own and pledged to vote for him.

In Chennai, one CPI(M) member told that he wants to vote for a left party so he was voting for SUCI.

Another person hearing a party leader speak at a public meeting, exclaimed: This is the first time a party is saying that if you find our line correct, vote for us.

SUCI Flays Fresh Power Tariff Hike in WB

Comrade Provash Ghosh, Secretary, West Bengal State Committee, SUCI issued the following statement on 27.05.04 :

While in the face of severe public protest, the state governments of the Punjab, Tamil Nadu and Andhra Pradesh have been forced to announce free supply of electricity to the farmers, the State Electricity Regulatory Commission in West Bengal, under the direction of the West Bengal Government, has announced an increase of CESC power tariff to cover 4 times the existing for the poor, middle class and slum dwellers, small traders and small industries of Calcutta with retrospective effect from 2000-2001. However, there is drastic reduction in the tariff for the big industrial consumers. In the next two years, the big industrial consumers would be subsidized from the funds extracted from the poorer section of the consumers in the name of arrear collection. The WB State Electricity Board is also going to raise the tariff at the same rate for the rest of the state.

This anti-people measure has been caused by the phased removal of cross-subsidy both by the Centre as well as the state governments. We demand immediate withdrawal of the decision.

We call upon the people to come forward and participate in the resistance movement being built up throughout the state against this anti-people measure.

Movement in Karnataka

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Rajashekar, State Secretary of AIDS0, Dr. K.S. Gangadhar, State Secretary of Medical Service Centre, Dr. Shivaprakash Sosale, Dr. Akhilesh, Dr. Prashanth and Dr. Vikram spoke on behalf of MSAC and DSAC, Comrade

Rama T.C. spoke on behalf of AIDS0, Bangalore District Committee in their address urged the students to continue the movement. Dr. Raghavendra presided over the meeting. A delegation submitted a memorandum to the Governor of Karnataka and to Mr. Murgod.



Protest rally in Bangalore on 19 May, the Black Day, against fee hike

Against barbarity in Iraq and Palestine
SUCI organises on June 5
Protest Demonstration all over India

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