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Selection of Presidential candidate

Once more reveals that bourgeois-petit bourgeois parties today are totally devoid of values-ethics-morality

Bourgeois parliamentary democracy has once more unveiled its ugly skeleton in the murky politics accompanying selection of the candidate for the constitutional head of India, the President. But before we lay down details on it, we may need a brief discourse on the relevant topic of looking at the bourgeois parliamentary democracy as a system in the past and as at present.

Parliamentary democracy developed in course of history

The political system of parliamentary democracy emerged during the days of the Renaissance and democratic revolution, when feudal autocracy or monarchy were being uprooted from the human society by the rising bourgeoisie, the then progressive class in the history of society and class struggle. As it ended the absolute rule of kings and monarchs where there was no place for rationality,

for morality-ethics-ideology other than absolutism and absolute surrender to religion and the king, it also sought to lay the foundation of the bourgeois democracy with a new philosophy and a new politics with a new outlook to guide the political activities, based, as far as it was possible those days, on newly emergent values-ethics-morality and ideology. It recognized individuality of man, his individual freedom to possess and express rationally, his opinions and views to the society, thus promoting in the political field, intense discussions and discourses in the newly set up parliaments and many other organizations, associations etc. Instead of suppressing differences, the democracy encouraged plurality of opinions; the new system sought for methods of resolving differences through discussions and discourses in the parliaments or beyond that and ventilating those to the greater society. It thus allowed

to set up political parties as many as possible reflecting and representing opinions and views of different sections of people and interacting with them as and when necessary. There evolved the system of rule by the majority elected on the vote of people, allowing the political parties which could not attain the support of the majority of people, to play distinct role in the parliament or legislation; the system thus awarded unfettered right to express differences on ideology and ideas. Elections were held ensuring, as far as practicable, that the participants present to the people their own views and opinions vis-à-vis those of others. People and the electorate, in their turn, could judge for themselves the correctness of those ideological differences between political parties or forces, not laying irrational emphasis on who is going to win or lose the elections or on any other pragmatic exigencies.

Decadence of capitalism brought down parliamentary democracy from its height

But the bourgeois society, its whole superstructure of politics, culture-ethics-morality inherently carried the menacing danger whose foundation lay in its capitalist economy, capitalist production system itself which was based fundamentally upon the contradiction between the labour and capital, exploitation of the former by the latter, with the motive force of earning maximum profit; it thus set up and consolidated a state system along with its executive-bureaucracy-police and army as well as the judiciary, to maintain and preserve this production system and the rule of capital for maximum profit. Yet the bourgeois democracy in its early days also maintained a relative independence of its different organs and within the society in accordance with the

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Falling rupee

Fallout of running economy on limitless speculation pursuant to capitalist globalization

Every day, there is an unchanged headline in the media—"Rupee plunges to its all-time low". In other words, the slide of rupee vis-à-vis US dollar continues unabated. And that has made the operators and defenders of prevailing capitalist economy lose their sleep. Hitherto, the bourgeois government, the 'wise' Prime Minister and his former 'trouble-shooter' Finance Minister as well as their 'erudite' economic advisers and subservient scholars and columnists had shrugged off any adverse impact of the global economic crisis on Indian economy with assertions that "the fundamentals of the Indian economy are strong", "the Indian growth story is intact" etc. Also, in

the context of a continuously plummeting rupee, stubbornly high inflation, onset of recession, falling industrial output, and sluggish GDP growth coupled with global economic downturn, outbreak of sub-prime crisis, sovereign debt crisis and of late the Eurozone crisis, the government and its cohorts had prided that India was 'decoupled' from a global economy mired in insurmountable crisis for close to five years now and hence would remain unscathed. But, with global economic crisis of capitalism accentuating, all these apologists of capitalism who were hitherto portraying a wonderful picture of the Indian economy with their scholarly statements have no other way to but to admit that things are

no more hunky-dory for India. Rather, there is now recognition in the government and its pliant circle that the impact of global economic gloom could be huge on India given the trade and financial linkages of the domestic economy with the global economy. Dipping value of rupee is latest manifestation of that and if this downslide is not arrested forthwith, economy might be in further peril. So, in order to 'halt the fall of rupee', 'put the economy back on the high growth path' and usher in the 'feel good factor', it is imperative to adopt forthwith certain 'unpopular hard and harsh' reform measures like subsidy withdrawal, FDI in retail, complete deregulation of fuel price, investment of pension corpus in

stock market etc. There can be nothing farther from truth than this. All these measures, if implemented, would make life of the suffering multitudes yet more nightmarish while the oppressing ruling class might be able to somehow stave off an impending collapse of its class economy wallowing in hourly crisis only to tumble into another bigger crisis. A cursory glance at the bare facts in the light of rational analysis would be revealing.

Backdrop of rupee depreciation

At the outset, it is necessary to understand very briefly as to what causes depreciation in currency and what its bearing on the capitalist

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True to its character Congress chooses monopolists' best choice

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democratic principles and norms it promoted.

As market crisis generated from the sharpening contradiction between labour and capital, ruthless exploitation of the masses and resulting impoverishment of common people, typical of capitalism, it cast its spell on the bourgeois democracy with monopoly capitalism emerging and gobbling up the celebrated *laissez faire* economy of free competition; power and pelf concentrated and consolidated with a few monopolists; democratic rights of people began to be curtailed; gradual erosion of values- morality-ethics and ideology began to decay parliamentary politics; democratic elements in the processes of election or governance started to be written off.

In course of these changes, the world capitalist system in the present days of imperialism reached the height of decadence. Absolute concentration and consolidation of capitals in the hands of monopolists, unbridled exploitation and fleecing of common people, intense economic recession — all this characterizes the world capitalist-imperialist system today. Though the facade of parliamentary democracy is maintained in many capitalist countries, the essence, the kernel of that political system has been lost for ever. The monopolists have extended their firm grip over the entire political systems, even taking to the heinous path of administrative fascism. The rule of suppressing and annihilating any opposition to the rule of monopoly, dispensing with democratic, fundamental rights of common people have become the order of the day. The decadence pervades the political parties and politicians feverishly clinging to power and pelf without any values- morality-ethics and ideology, driven only by the insatiable desire to serve the real masters, the monopolists.

Decadence also told upon parliamentary elections

The all-out decadence also has told upon parliamentary elections, the mainstay of parliamentary democracy. As mentioned earlier, once democratic commitments of the bourgeoisie guided elections at all levels, in which the contestants freely propagated their views through programmes, manifestoes, as well as through debates, discussions, campaigns etc., and electorates were thus provided with a scope to find out the differences

between those views and on the basis of such sort of education or awareness could exercise their choice freely. True, political campaigns were occasionally marred by slanderous taints or otherwise even then. But democratic inclination was evident in an overall way.

The situation today is just the reverse. The multi-party parliamentary system is still in vogue in many capitalist countries. But even in those countries, its essence or the kernel is lost. Instead the monopolists with all their blessings and/or patronage are setting up and promoting two alternatives with a view to bringing either of them to power in case the other becomes totally unpopular from their abject pro-monopoly policies. A two-party parliamentary system with absolute control of the monopolists is taking the stage. On the other hand, unfettered right to association, to expression, to criticism and to democratic movement that the parliamentary system once awarded people with, are severely affecting the interests of the crisis-ridden, power-greedy, profit-hungry and corrupt monopolists and their henchmen, the bandwagon of parliamentary politicians. So elections are still held but only to befool people, to allure people with high-sounding words on democracy and parliamentary system. But those are taking place without serious political debates, even political campaign, without criticisms based on reality, rationality and ethics; people are facing elections in which the candidates are not men of eminence, not to speak of men of virtue and nobility; rules are being laid and even framed to see that there are not many candidates, rather there are only a few such candidates for whom the monopolists and henchmen will be able to produce their own credentials, which is nothing but allegiance to monopolists; if by any chance a candidate emerges from the revolutionary party, belonging to the toiling people, the working class, no stones are left to see that such candidates do not cross the door of the legislative houses, the parliament or the assemblies, if necessary, rigging their elections to see that those candidates are defeated convincingly. The political parties which sustain upon the parliamentary system and elections, eagerly join this drama playing subservient role to the ruling masters, for the sake of themselves earning the trickles of power and

pelf. Their putting up candidates in elections or not putting up any, solely depends on or rather controlled by the overt or covert signals received from the masters, the ruling monopolists. When they put up candidates they do it to stage a mock fight to confuse people and lead people's opinion and mind astray. And when they do not put up any candidate, they do it to keep the contest limited to two or few, as desired or dictated tacitly by the monopolists. The process of election of the President of India beginning with setting up of candidates must be judged on the anvil of these features.

President election in India reveals total decadence of political parties

While looking at the election of the President for this parliamentary system of the capitalist state of India, people must not also lose sight of the facts that the Indian capitalism, an inalienable part of the world capitalist-imperialist system, is naturally and severely affected by the insurmountable crisis and decadence that the world system itself is submerged in. So the Indian capitalism, its state, its parliamentary system, its political scenes, its cultural-ethical-moral ambience everything is beset with utter decadence and rot. Selection of the candidate for the ensuing Presidential election takes place on such a background. Almost ritualistically, to whip up some interest in people, otherwise lukewarm, the media, largely sponsored by none other than the monopolists, pour down savoury coverages on how the process is going on, how the parties are combining and recombining, promising and betraying, how the leaders are frantically running across the country to muster strength, who is being favoured by which party, who stands the best prospect and so on so forth. As it should be naturally expected that this highest post of honour in the prevailing parliamentary system of the country should be adorned by some character of eminence, some personality of virtue and nobility, as it used to for a brief period after the independence. It is true that the Presidential election is confined to a limited electoral college, but it is also true that it has a significant impact on the politics of the country and people, as a whole. The framers of the Indian constitution, at the time of its adoption, expected that such a candidate of virtue and nobility would be chosen by the

political parties directly concerned with this election to attest to their sense of responsibility to the country and their wisdom. Barring that, like all other elections, the Presidential election too could have been viewed as a kind of political battle. Obviously the ruling party or the combination by virtue of their absolute majority have the major share of responsibility, and were expected to name their candidate and try to muster support for him or her projecting him or her as icon of their political stands. Those in opposition and if and when they claim, at least verbally, to have differences with the ruling party on ideology and political grounds, would also have proposed their own candidate and make use of this election to launch a political campaign with a positive outlook for their candidate. But nothing of the kind came out.

Role of the Congress-led ruling UPA combination

Rather the ruling combination dilly-dallied. Any early pronouncement of a name might have proven suicidal for them. After all the ruling UPA, United People's Alliance, led by the Congress, is no more than a plain and simple motley of political parties and forces, huddled beneath one umbrella out of sheer exigency to reach the seat of government for power and pelf. The combination thus includes forces notorious for their any kind of political somersault, horse-trading, breach of contract or promise or amenability to any lucrative offer. Besides there are bitter squabbles between different parties and even within them separately, not excluding the Congress itself. All the major political parties or forces of the ruling combination are submerged in different kinds of corruption, criminal activities, underhand deals etc., and so each of them is in a position to blackmail any other, as and when necessary. So they started racking their brains with numbers: Which combination within the ruling combination itself would fetch the required figure to get some candidate through. And then came the question of names: Which candidate will be favoured most by the most prospective add-ups of political parties. The task was not easy; after all the political parties enjoy the prerogative as well as face the limitation of keeping their supporting masses in good humour with their pro-people poses and postures; there are ego-clashes of

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‘Bourgeois parties with ‘difference’ or for ‘people’ practise the same unprincipled politics

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different kinds and different levels; and last but not the least, the chosen candidate must be a man of confidence of the monopolists, the real masters. The latter was active throughout. The media took up the cudgel for the master; they toyed with names and figures only to keep people busy with guesses and doubts. However, in this material world everything has a beginning and an end ; so the fiasco ended with the chairperson of the largest party of the ruling combination announcing a name: as the next President of India candidate, Sonia Gandhi threw out the name of Pranab Mukherjee, the finance minister of the UPA government till he submitted his nomination paper, who have spearheaded the country's economy, of course on behalf of the government as a whole, to bring it to the present wretched condition for people, but surely and successfully to the fullest advantage of the monopolists who have reaped fabulous profits from the national as well as global markets, courtesy the policy of the government and its finance minister. It is evident whose choice Mr Mukherjee really is and why is the choice. After all the Congress is till now, the most trusted representative party, rather the most efficient agent of the ruling monopolists. And Mr Mukherjee, once a college teacher, who started his 50-year long political career with the Bangla Congress, has subsequently joined Congress and hovering around the cradles of power has served the class interest of the monopolists with all sincerity. So it was natural for the class, reflected through a powerful section of the media as their mouthpiece, to project him as the best candidate for the ruling power. So that was the depth the Congress has reached down! Does it not write off whatever prestige it once earned during the independence struggle ? Does it not belie the expectation of the framers of the Indian Constitution as it was just after the independence which was also a promise to the people, that not the unflinching loyalty to the ruling class be the criterion for the candidature for the President of India but a man of virtue and nobility accepted by all sections of people be chosen for that seat of honour? Does not this fiasco of selecting candidate for presidential election once more lay bare the rickety skeleton of the bourgeois

parliamentary politics? Where have all the principles gone or serious political issues? Do not people have the right to question: How could a leading member of a government so discredited for its corruption, inefficiency, totally anti-people pro-monopolist policies and even against whom charges of corruption are being raised, be chosen to adorn the post of President, supposed to be the highest constitutional post in the country, to which were once seated characters of some distinction at least? Or, is it enough to be a faithful agent of the ruling monopolists to emerge as the best candidate?

TMC's principle!

So much about the ruling combination. Before coming to the role of those political parties that sit on the opposition bench, it may be relevant to speak a few words about the second largest party in the ruling combination next to the Congress in numerical strength of MPs. It is the Trinamool Congress (TMC) which achieved this status along with the coveted seat of the state government of West Bengal, riding on the surge of people's movements against the three decade long rule of the CPI(M)-led Left front that was turning into a nearly fascist rule. The TMC government of the state has the Congress as its junior partner in the ruling combination of the state formed during the last election that brought them to power. It may be recalled that the TMC was formed by its supremo as a breakaway group from the Congress avowedly on basic ideological differences. Yet when it came to the question of rising to power, the TMC did not hesitate to get into a thick and thin relation with the Congress. It also became an important partner of the UPA and even its government. The present relation between the two parties is however, 'sweet and sour'. Right now, the TMC has not come out of the UPA or its government, yet is not supporting Pranab Mukherjee as the Presidential candidate. It should be added here, it matters hardly for people if anybody supports Pranab Mukherjee or not , as he was an important cog and screw of the totally anti-people pro-monopolist government. But what sort of principle it is, to oppose him tooth and nail to the extent of trying to find out an alternative, at the same time to assure the UPA that the TMC is and will remain with it.

There is still a point to ponder over. The TMC and the Congress are allies and as conceived in the past, an alliance is based upon some common programmes and some kind of affinity on certain grounds. It binds the partners into a sort of commitments towards each other. Surprisingly without caring for any norms or commitments, without any talk with the Congress, Ms Banerjee rushed to Mulayam Singh Yadav of the Samajwadi Party, the ruling party of UP with the largest assembly of the country, sat with him and together outright announced some alternative names. Unfortunately for her, she befriended with such a political character, to whose account, the media counted, there were at least nine glaring cases of excellent political somersault. Before she reached the airport for a return journey to her state, Mulayamji met Sonia and declared his support to the Congress candidate. May be, who knows, the CBI investigation still pending against him had something to do behind the package deal from Sonia! In fact, from the very beginning of the process, the Congress confidently declared that it was not worried about the support from the SP of Mulayam Yadav and Mayawati of the BSP. Incidentally both the leaders have CBI investigations on corruption charges against them, still hanging on. And in reality it came out precisely that way. The Congress did not have to assert the least to fetch their support. Mayawati, who fought vehemently against the Congress in the last UP assembly election, just parroted the name of Pranab Mukherjee as her choice. And about Mulayam, the TMC had the bitter taste.

In her failed list with Mulayam Yadav, Mamata Banerjee also included Somenath Chatterjee, with whom CPI(M) had a difference but who is still having links with that party. Again what was her calculations, Ms Banerjee herself must be knowing. Next, Mamata Banerjee tried to rope in a former president to vie for another term, who generally known as a scientist and for his close ties with the BJP, was also a very loyal emissary of the ruling class as well as the Congress in power and BJP in opposition, to allure people of Tamil Nadu coastal areas with a compensation package in lieu of ending their resistance against the nuclear power plant that endangers

people's life and livelihood for generations together. But with a bleak prospect of winning the contest, the ex-president stepped back and out. In her usual manner, Ms Banerjee arranged for some processions in the state she governs, or took help of a social network in favour of her choice. But to no avail. She was only left with no further zeal to make a fresh move, but with apprehension of cross-voting even from within her party. Even to date when Sangma has been put up as a candidate against Pranab Mukherjee, the TMC does not assure him its support, nor does openly speak against him. The whole TMC episode attests to one thing: A bourgeois party itself, it has not the least concern to run the party and guide people on the strength of ideology and principles. The supremo of the party, however, clamours loud of principles!

BJP does not dare or care to put up a candidate

The BJP is the largest opposition party in the parliament and for the ruling monopolists an alternative to the Congress in the two-party parliamentary system. Once upon a time it spoke of being a party with a difference and now it is bogged in scams one after another. It was and is, also a party practicing an arch communal politics that culminated in recent times in engineering the infamous Gujarat pogrom in 2002 . The taste of the both, proclamation and actual deeds, did not go well with common people. The party, rather the NDA combination it led was ousted from the union government. Bereft of power and pelf since then, the party which is the political wing of the rabid communal RSS, has been constantly battered with internal squabbles, conflicts between it and the RSS and so on, so much so that even with the Congress fumbling with their attempts to find a candidate for the president , the BJP did not show any inclination to set up a candidate of its choice for a long time. Rather they did not dare to do what was natural for them! On the contrary, at an early stage in response to high level fillers from the Congress, both the BJP and the RSS were on the verge of extending support to Pranab Mukherjee as a good candidate! LK Advani, one of the seniormost leaders of the BJP was overwhelmed with a phone call from Pranab Mukherjee and

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Social democrats like CPI(M) expose their totally unprincipled politics

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accepted him as his elder friend. The signals were evident. Both the major ruling and major opposition parties were keen to dance to the tune of the ruling bandmaster, the monopolists! But as their reluctance to put up a candidate gave rise to questions in the country and among the rank and file of the party, the BJP had to backtrack! It had to think twice, if the outright acceptance of the Congress proposal would at all play well with their own electoral prospects. Such a surrender would definitely stand in the way of confusing the electorate and rebuilding their image as viable alternative to the Congress. So there cropped up divisions and differences. In the NDA combination, another loose conglomeration which the BJP leads as against the UPA, different parties were found to take different positions. The JDU, the Bihar ruling party and Shiv Sena, a parochial force from Maharashtra, straightaway supported Pranab Mukherjee. Lastly and ultimately, without daring or caring to put up their own candidate, the BJP decided to stand behind P Sangma, whose name was proposed by Jayalalitha and Navin Patnaik. It is well known how Sangma made rounds from this party to that. This time for contesting the Presidential election he quit the NCP, a partner of the ruling UPA combination at the Centre. But his daughter remains in the UPA ministry from NCP, while at the same time canvasses for her father. Proposal of Sangma as the candidate reflects how unprincipled politics Jayalalitha and Navin Patnaik were playing and the BJP came in support of that. But even after deciding to support Sangma, the BJP and its senior leaders clearly expressed that they are not going to bring bitterness in campaign, meaning, however, they are not going to fight the contest seriously. Why? Is it from the fear of going against the desire and design of the monopolists? So they extend a lukewarm support to Sangma for poll prospects and refrain from going too far with it for fear of losing rewards and remuneration for serving the monopolists! A principled stand, no doubt !!

On what principle does Sangma stage a candidature?

Now Sangma belongs to the NCP, a partner in the UPA itself. He was once close to the Congress, but a difference with Sonia forced him to land in the NCP. But he left the

return route clear and via that route could have his daughter included in the UPA ministry. This time however, without having any talk with his party, NCP, he announced himself as the presidential candidate to represent the tribal people of NE India. Was it not ethical, at least even fair, that the NCP should pronounce itself any name from the party? What kind of ethics or discipline it reflects that the name is proposed without even informing the party? Can it be a criterion of serious political consideration that the tribal people should have a presidential candidate from them? True, the tribals are severely exploited and the Union UPA government holds a great responsibility for that. But is it not the same capitalist exploitation and rule that reigns over the entire country and is only being defended at present by the UPA government at the centre which stands as is the root cause? Will anybody with a right frame of mind ever think that once Sangma becomes the President of India, the tribals will get rid of their problems? Is it not the height of falsehood to think and claim that way? Rather, seeking a tribal candidate, is nothing but one of the thousand such moves that promote and foster disunity and mistrust among toiling people of the entire country, to ensure that they do not stand up united against the capitalist rule. Of course, such a move have another use: It is meant to better the prospect in future polls playing upon the injured, yet confused, feelings of the tribal people. Such is the principled stand on which Sangma rests.

Social democrats like CPI(M) join chorus of bourgeois parties with their despicable role

Among the other parliamentary forces to reckon with, there is the so-called Left Front led by the CPI(M). They still go as the Lefts, though from the governmental power they were placed in different states, particularly West Bengal, Kerala and Tripura, they have amply proved that as typical social democrats they are no less efficient in serving the ruling monopolists as well as the foreign imperialists even going to the extent of ravaging people's movement with the strong hand of fascistic power, particularly evident from Nandigram- Singur incidents of West Bengal. At the same time, they were, and still are, ready to form political combination with any trusted agents of the ruling monopolists, particularly the Congress, to clear their path to

power, without any serious political consideration.

Had they any modicum of leftism left in them, should not they have given a serious thought to what should be the attitude of the leftists in such cases as the present one? Was it not their prime task to make people conscious that in these days of totally moribund world capitalist-imperialist order, the exploitative capitalist system can not bring any relief to their life, no election held in this system can solve any of their problems? The task ahead is to overthrow this system at the stroke of revolution. But till that goal of the revolution can be accomplished, not to speak of the revolutionary party, even the leftist parties must take part in elections side by side with building up massive and sustained movements on thousand and one burning problems of people's life and livelihood. The latter, the extra-parliamentary movements are the prior. But at the same time to reflect the voice of people in the parliament and other legislative bodies, to raise their demands, to expose the anti-people designs of the rulers, to prevent any move towards curtailment of people's democratic and fundamental rights, the leftist and democratic parties must combine the extra-parliamentary movements with the parliamentary ones taking part, as far as possible, in elections to barge into the parliament. And they must participate in those elections, not with pragmatic goals; win or lose they must fight as far as possible each and every election on the basis of clear-cut ideology, correct political understandings and above all on the edifice of higher ethics- morality and culture. In the history of society, genuine leftists and revolutionaries any where in the world have faced the question of parliamentary politics with this attitude and understanding.

Had the CPI(M) been guided by this genuine leftist attitude, should not they have put up a candidate of their own and, in spite of the fact that the electoral college was small, should not they have fought with their political views to reach even the broader masses of common people of the entire country? But they did not care to do that. Rather they waited in the lurch to make sure who is doing what or rather what is the Congress doing. As soon as, the Congress put up Pranab Mukherjee as their candidate, CPI(M) jumped in with clear enthusiasm. Leaders of both the parties met or exchanged in cordial mood. And soon the party extended

their support. Even when an important leader seriously questioned this stand of the party, the party leaders unable to provide any answer, simply expelled him. The whole episode once more glaringly showed how nakedly they have surrendered to the monopoly capital for the sake of their prospect in bourgeois politics of votes for power and pelf. Sensing that supporting Congress candidate unconditionally and enthusiastically does not fit with leftism of any kind and is not welcome by left- or even democratic- minded people, some of the Left Front partners, like the CPI and the RSP posed their dissent. But the real message was already posted in the air. There was no principle, no ideology involved in the move, it was a sheer opportunistic move towards balancing their equation for power and pelf!

People's only choice rests in uprooting this system

The entire political drama of selecting candidate for the Presidential election has thus proven beyond doubt that all bourgeois and petit bourgeois political parties, big or small, in power or out of it, and professing bourgeois parliamentary politics has reached such a stage of their crisis, that they can not hold any further even the minimum democratic norms and principles that the class once proclaimed. As a part of the total decadence of their system, they have reduced politics and elections to mere farce without any shade of principle, ethics and ideology. People have nothing to expect from those. They must look ahead towards overthrowing this system, the sooner the better. But till that revolutionary situation matures, the militant sustained and massive extra-parliamentary struggles built up on the edifice of higher culture and ethics must be supported by parliamentary struggles. It means people will have to participate in elections with a correct understanding; in that process, they will have to isolate such forces and parties, which are sustaining upon vote-based politics of befooling people with false promises and confusing politics, as well as with thousand and one sectarian, parochial or such other divisive ideas; they must carry on both these extra-parliamentary and parliamentary struggles simultaneously under a correct leadership to slowly and decisively advance towards the cherished goal of anti-capitalist revolution. This is the need of the hour.

Falling rupee**Capitalist economy entirely rests on rampant speculation today***Contd. from page 1*

economic system is. To put it simply, a currency tends to become more valuable when its demand is higher than supply. On the contrary, a currency tends to become less valuable when its demand is less than supply. It is the basic theory. So, it is obvious that currently demand of rupee is much less than their supplies while the demand for US dollar is rising. Next point is, when the currency will have more demand and when it will have less demand. One of the prime reasons for this plummeting of rupee value is the growing trade deficit meaning that imports are increasingly overshooting exports. When we import, we pay in foreign currency, mostly in US dollar or Euro. Similarly, when we export, we receive payment in foreign currency. If exports are less than imports, there is a depletion of foreign currency reserve. Statistics would show that India's trade deficit is spurring by leaps and bounds. How were these deficits being financed? Apart from massive borrowings from either market or international agencies like IMF, foreign currency received in the form of Foreign Direct Investment (FDI) and foreign currency remittances by non-resident Indians (NRIs) which fall far short of requirement, the source the government had been falling back upon heavily to cover its trade deficit was hefty inflow of speculative investment made in foreign currency by foreign entities in Indian capital market (both stock market and debt market as well as in derivative trading). Following inexorable law of capitalism, economy of the entire capitalist-imperialist world is gripped by a severe market crisis as there is continuous drop in the purchasing power of the common people in the process of maximizing profit of the handful of capitalist owners. In absence of market (market means buyers having affordability to procure produced goods), the capitalist owners down shutters on production units and move away from productive investment. But their quest for profit-maximization remains. So, the huge idle capital in their hands is then diverted to speculation for booking profit. With speculation becoming, so to say, prime economic activity, every effort is made to widen the scope of the same, both in depth and expanse, meaning both in diverse forms as well as augmented capital

infusion. Cosmopolitan capital is continuously on the lookout for suitable destination to multiply return through speculation. At the same time, there is competition among the various capitalist countries to attract more and more speculative investment through sophistication of their respective capital markets and offering tax incentives. In fact, today the bourgeois economists and governments show more concern for maintaining or increasing 'positive mood or sentiment' of the speculative market and tend to pose the same as indicator of economic progress. Even the activities centering on speculation are categorized as service and along with the values of the speculative transactions are included in GDP calculation to hide negligible contribution of virtually closed manufacturing sector. It would not, therefore, be any defiance of 'economic logic' to say that being unable to increase production, capitalist economy entirely rests on speculation today.

Since, speculation in Indian capital market till the other day had been offering huge profits, foreign firms particularly Foreign Institutional Investors (FIIs) as also moneyed individuals through the Participatory Note route (P-Notes allow foreign high-net worth individuals and other rich investors to invest in India through already-registered FIIs) were pumping in huge funds in Indian stock and debt markets. Along with surge in capital inflows, foreign currency assets with the Reserve Bank of India also rose appreciably. Just in last January-February, as high as \$7 billion of investment entered Indian capital market. In this connection, it is relevant to mention that in our country, capital account is not convertible. That means, if anyone has to buy any immovable property in India, the foreign currency remittance has to be converted into Indian rupees at prevailing exchange rates. Stock market shares also fall under the category of 'immovable property'. So, any investment in Indian stocks implies inflow of foreign currency which is deposited with the banks against release of equivalent Indian rupees. The glut in capital inflow was so much that Reserve Bank of India (RBI) had to buy up the surplus foreign exchange in the country so as to prevent excessive appreciation of rupee as supply of foreign

currency particularly US dollar and Euro was more compared to rupee in circulation. In fact, in February last, we had seen rupee appreciating compared to dollar.

But that posed another problem. Since rupee gained in value, it eroded the competitiveness of India's exports. Because, importers of Indian goods had to shell out more foreign currency to acquire Indian merchandise priced in rupees. So, the government was in a fix and needed to take some counter measure to see that rupee did not gain further. So, government of its own opened up a window for outflow of accumulated foreign exchange. To that end it hiked the right of the well-heeled Indian to purchase foreign currency in India to acquire assets abroad. India's rich responded leading to the sharp increase in remittances to finance the acquisition of such assets. Private transfers of foreign currency abroad, consisting largely of such remittances amounted to \$53 billion in 2010-11. That was more or less exactly equal to the foreign currency inflows on account of exports of software services in that year and hence was of no mitigating benefit. Incredible is the fact that in course of attempting to rein upward swing of rupee, the economy landed in gushing descent of rupee. This is the paradox of gaping capitalist economy.

Ebbing speculation triggered fall in rupee

As we have seen above, inflow of foreign currency was mainly via the conduit of stock market speculation. And the government relies heavily on portfolio inflows — foreign purchases of shares and bonds — as a means of covering its trade deficits. Everyone knows that speculative market is fraught with uncertainty. It fluctuates widely. Portfolio investment, as it is called in the economic parlance, is fickle because unlike productive investment, shifting speculative investment is fast and easy particularly in today's electronic technology-enabled modes of transaction and international operation. If there is slightest of indication that speculation in one particular market might not yield expected gains, the speculative investors would desert that market in no time and look for better option. Exactly, that has happened. The moment big European countries particularly the

eurozone states were found to be in acute sovereign debt crisis, meaning that their respective governments were found to be so insolvent as to be unable to repay the huge debt they raised from the market to finance their yawning budget deficits (spending more than what was received), future of Euro (common currency of 17 European countries like France, Germany, Greece, Portugal, Spain etc.) as a formidable competitor to US dollar in transactions of global trade became uncertain. This prompted the speculative investors (most of them are big MNCs, large financial institutions, corporate giants and high-networth individuals speculating either directly or through intermediaries and other available conduits) to hold US dollar in cash. It is not that US economy plagued by worst recession and surviving on huge borrowings and increased militarization and speculation is showing any sign of recovery. But, right at this juncture, US dollar as well as gold (bullion) is perceived to be relatively safe baits. So the speculative investors have started unwinding their investments in stock markets and opting for either cash holding of US dollars or purchase of gold. That is why, there is spurt in gold price also. Such withdrawals have been from Indian speculative market as well. Just in May and June, 2012, the net outflow on account of FII withdrawal has been Rs 14.56 billion. On the other hand, spurt in imports including crude oil continue unabated. So, there is a drain on dollar deposits causing rupee to fall steadily. It is also to be added that besides this general slump in speculative market, there is also a recognized mode of speculation under the category of 'derivative trading' where punters bet on future movement of exchange rates of currencies. This, too, manipulates the currency value to a good extent because of speculative holding by the gamblers.

There are other factors also. Due to a sharp increase in the dollar rates, importers suddenly started gasping for dollars in order to hedge their position, which had led to an increased demand for dollars. On the other hand exporters kept on holding their dollar reserves, speculating that the rupee would fall more in future. This interplay between the two forces further

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Falling rupee

‘Economic logic’ of government is — benefit the rich, fleece the downtrodden

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fuelled the demand for dollars while sequestering its supply from the market. This further led to the fall in rupee. This is how a combination of various speculative activities aided and abetted by the bourgeois government is running the ‘free market economy’ of ruling Indian capitalism and have caused sharp and continuing decline of rupee.

Falling rupee is not boosting export

It is also equally queer as how Indian capitalism is caught in its own web. As we have shown above, rupee depreciation, as per postulates of capitalist economy, ought to have helped by improving the competitiveness of India’s exports by making them cheaper. But it is of little help in an environment where a sluggish world economy is demanding less overall in terms of goods and services. 20% of Indian exports are in the European markets where demands are on the wane because of plummeting income of the people reeling under worst capitalist-imperialist exploitation. Similar is the case with US and other potential markets where purchasing power of the people has dented to the floor. Moreover, though India’s import tariffs on both raw materials and finished goods are some of the highest in the world, they exacerbate trade deficits because most imports serve as raw materials for our exports (e.g., gold, machinery, etc.) and hence higher import tariffs raise the prices of our exports making them less competitive. At the heart of the liberalization process was the much-hyped optimism that if markets were opened, Indian manufacturers would be forced to deal with international competition. Once they gained that ability, they would be able to export to the rest of the world. And over time increased imports would be more than made up for by a more rapid growth in exports. But, turn of events has just been the other way. What rupee depreciation is doing does in the current environment is increase the domestic prices of India’s imports, including that of oil and aggravating inflation. This once again vindicated that capitalism in its present decadent moribund stage is laden with hourly crisis. It is somehow

staving off one crisis only to tumble in another bigger crisis.

Prescriptions of more liberalization

The ruling Indian bourgeoisie, its subservient government and economists-columnists on its pay roll who are least concerned about the growing plight of the people have taken this opportunity to strongly press for immediate roll-out of pending reforms like subsidy withdrawal, complete deregulation of oil prices, opening up retail to FDI etc. as if that would ease the pressure on rupee and set things right. Certain ‘fertile brains’ in the echelons of hierarchy are also pitching for other reform agendas like drastic cut in public expenditure even if that entails imposition of huge burdens on the people in the form of increased unemployment, reduced incomes and a collapse of social security outlays. Because, as per their contention, the government, which is resorting to substantial market borrowings to finance running perpetual trade deficits and huge fiscal deficits needs wherewithal to pay interest (technically known as debt servicing) and repay principal of the outstanding loans and prevent the country from facing any sovereign debt crisis. The ruling circles are fully aware that if such steps are undertaken, the common people pressed under the grinding wheel of oppressive capitalist economy would be ripped into shreds and relegated to the fringes of doom. So, they have scripted an alibi in the form of “stressing imperativeness of giving ‘economic necessities’ precedence over politics.”

According to them, opening up of retail sector to FDI would encourage foreign investors (read foreign monopolists and MNCs) to enter the country with huge foreign currency. De-regularization of oil prices would also entice foreign investors to make forays into oil sector as would liberalization of foreign ownership in banks and insurance to financial sector. Similarly if pension fund is allowed to be invested in stock market and bank interest rate is lowered, that would stimulate stock speculation on the Indian bourses and encourage FIIs and other foreign players to come back. In the process, there will be inflow of foreign currency and rupee would gain in value. This would give positive signal to the world about the strength and

resilience of Indian economy, remove apprehension about sinking currency, improve ‘market sentiment’, ‘restore investors’ confidence’ (meaning inflow of foreign currency mainly in speculation) and in the process would help rupee to bounce back, narrow down deficits and bring shuttering economy back on the rails. So, these so called reforms agenda should have priority over people’s plight and its passage should not be scuttled by the politicians because of incurring displeasure of the masses, or to be precise the electorates. It goes without saying that this is nothing but a dazzling display of an illusory future, palpable lies couched in economic jargons to hoodwink the people.

But before we unmask the hoax, it may be added that even a section of the bourgeois economists are not that optimistic about arresting falling rupee through increased accretion of foreign reserves. They put a counter-argument that even if the government has plenty of foreign exchange reserves, using such reserves to stabilise the currency can have the opposite effect of making speculators move away from it. Any use of reserves, they say, is *ipso facto* a reduction in reserves, and with every such reduction speculators become more conscious that the government’s ability to intervene in the foreign exchange market is declining, and hence become even keener to leave the currency. Since the magnitude of sudden withdrawal of funds from a country can be enormous, even hundreds of billions of dollars overnight, the government finds itself in a bizarre situation: of sitting on top of a mountain of foreign exchange reserves and yet unable to do anything about a slide in the value of the rupee. According to them, this is exactly the predicament of the government today. But, we know that predicament is of the system and no palliative can salvage the sinking capitalist economy no matter howsoever pedantic utterances and peddling in economic rigmarole continue to tumble out of the cupboards of bourgeois pedants. Reality bears out that.

For example, in order to boost the sagging economic sentiment and stem the steady Rupee slide, Reserve Bank of India, reportedly at the advice of the government announced a week back three new measures. It has now lifted the limit

of External Commercial Borrowings from \$30 bn to \$40 bn to enable Indian businesses borrow more in foreign currency at cheaper rate, enhanced limit on foreign institutional investment in government securities at the bond market by \$5 billion and allowed qualified foreign investors (foreign entities authorized by Securities Exchange Board of India to invest in Indian capital market) to invest in those mutual fund (MF) schemes that hold at least 25 per cent of their assets (either in debt or in equity or both) in the infrastructure sector. Even if we avoid technical discussions, it would be obvious that all the steps taken are in tune with liberalization process and aimed at increasing inflow of foreign currency. But, it is understood that despite these announcements downslide of rupee could not be arrested nor has there been any “cheer” in the stock market to expect return of foreign investors. Perhaps the ‘erudite’ policy makers and their ‘scholar’ advisers would now argue that instead of such ‘stop-gap arrangements’ or ‘half-hearted moves’, it is advisable to go whole hog with the reform agenda for rescuing rupee as well as economy. And so is their insistence on all out reforms.

Hoax of economic revival

If such reforms were so omnipotent, why is it that the economies of most of the capitalist-imperialist countries particularly the powerful Western countries where all these so called reforms were implemented long back are gasping in death throes? Why is there a sustained global recession coupled with spiralling inflation? Why is Europe over head and ears in sovereign debt crisis? Why US despite having been turned into the biggest debtor country in the world finds no other alternative but to finance yawning budgetary deficit with increased borrowing? And what have people got through all such reforms? Exploding unemployment, massive job loss, rising and uncontrollable food prices, drastic reduction in budget for social welfare measures to denial of all kinds of democratic rights, political repression, rampant corruption in every sphere of governance and administration. A wave of protests is sweeping across Europe, America and parts of Asia, with thousands of people taking to

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Corrigendum

Please read the name Lenin as Stalin on page 4 column 3 line 46 of P Era dated 1 June, 2012. Mistake regretted.

Falling rupee

Bourgeois government rolling out further anti-people reforms on the plea of containing rupee slide

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the streets against corporate greed, bailout of large corporates by massive cut in public welfare costs in the name of austerity and such other accompanying menaces. The situation has come to such a pass that even bourgeois economists like Klaus Schwab, founder and Executive Chairman, World Economic Forum, find "Capitalism to be out of balance," and "the use of virtual capital for the purposes of speculation in relation to the use of capital in the real economy has exploded beyond any reasonable proportion and is now out of control.... decisions led by greed or incompetence... had terrible consequences, not only for the global economy but also for real people..." (Statesman-30-10-11)

So, it is obvious that the spate of reforms the government is bent upon pushing through might temporarily stimulate speculation and revive stock market much to the glee of punters and gamblers but would spell further disaster in the tormented life of downtrodden Indians. Once retail is opened to FDI, over 40 million people in about 12 million outlets would be phased out from their means to earn livelihood. Introduction of goods and services tax (GST) would make every item of consumption dearer as the tax component would be straightaway loaded on the prices by the manufacturers. Likewise, deregulation of fuel prices would have a cascading effect on already spiralling inflation. Withdrawal of subsidies too would entail spurt in prices. Allowing pension fund to be invested in stock market would wipe out the imperative safety of the hard-earned money of the common pensioners. But the government and its 'academician' advisers leading luxurious life in cozy confines are least bothered of the impoverished downtrodden, the retrenched workers, the starving peasants, the job-hunting youths or the economically ruined middle-class. Their sole motive is to serve and protect the sinister class interest of the domestic and foreign monopolists and ensure that all wealth and prosperity is concentrated in the latter's coffers at the cost of escalated penury and misery of the oppressed millions. This is what they mean by 'economic logic'. One would recall that in 2008, the Congress-led UPA-I government announced a slew of financial assistance, concessions and waivers to the industrial houses

and corporate sector under the mouthful name of 'fiscal stimulus'. The amount was around Rs 1.76 lakh crores which has now mounted to over 4 lakh crores. But, has this huge dent to the exchequer in the form of revenue loss boosted productive investment in manufacturing and other sectors, created jobs and provided any succour to the people at large? Or, it has distressed the economy further and brought more woes to the people? But our 'economist' Prime Minister immediately on assuming additional charge of finance three days back has hinted at accepting the suggestion of the industrial houses to give them one more dose of 'stimulus' in the form of further investment allowance and tax sops to repair economy and prop up rupee. Notwithstanding running huge budget deficits and talks of withdrawing fuel subsidy of around Rs 44,000 crores (as per figure of 2010-11), the Prime Minister has pledged in the recently concluded G-20 summit in Mexico to provide a financial assistance of as high as Rs 56,000 crores to crisis-ridden Eurozone. It is not that this assistance is doled out to the suffering people of eurozone countries but to the rulers of those countries who have dragged their respective economies into the dregs. Generosity per excellence! But at the same time, it glaringly shows that this government is not of the people but wedded to carry out the behest of its masters, the capitalist rulers, at the expense of the people.

So-called reforms would not cure economy but kill people

It ought to be abundantly clear to the suffering millions that dipping rupee is no *fait accompli* because of certain 'external factors' on which India has no control. It is also equally wrong to view this phenomenon of currency depreciation expunged from the very capitalist economic system operating in our country and for that matter the entire world save and except two tiny socialist states of North Korea and Cuba. Like all other aberrations, anomalies and menaces like embezzlement of public money, massive tax evasion, generation of huge black money, gulping of bank and institutional finance through default and above all price manipulations through hoarding, black marketing, widespread speculations by an utterly corrupt nexus of the corporate bigwigs, big business,

ministers, bourgeois politicians, bureaucrats, shady operators, brokers and middlemen, depreciating currency is also fallout of the acute insoluble crisis oppressive capitalist economy is enmeshed with in its present moribund stage. During the days of advent of capitalism when there was relative existence of *lazssie faire* economy and perfect competition, exchange value of currency was determined through some set principles of foreign trade. But with capitalism reaching the stage of monopoly and imperialism, that situation does no more prevail. More crisis-ridden is capitalism, more distorted and dysfunctional have become all prescribed codes and norms of operation of capitalist economy once enunciated by its founding fathers. International trade is now exclusive preserve of the ruling oppressive capitalists, large industrial houses, corporate sectors, giant multi-national and transnational corporations as well as the bourgeois governments serving their class interest and is largely controlled by widespread speculation and all sorts of manipulations and manoeuvring. Stripped of all fairness even in bourgeois sense, it has now virtually turned into a punter's den. Capitalist India is no exception. So the festering sores are vivid all around her economic skin. So long as capitalism is in vogue, there will be no end to unfolding of one after another crisis.

Socialist economy was free from all these crises

No one would find such crises in the socialist economy, where motive force of production is not maximization of profit but meeting the growing need of the people through proper central planning and control of the economy under the working class state. History will vouch for that. In Soviet Union under Lenin-Stalin and China under Mao Zedong, productivity had soared up phenomenally to raise the standard of living of the people at large. Prices of essential commodities were steadily reducing while state took the responsibility of reaching out basic necessities to the citizens. There was GDP growth in real sense as distribution of wealth was proper. There was not a trace of speculation or scope for misappropriation of gains through deception or deprivation. Only when the revisionist leaderships of erstwhile Soviet Union and China

moved away from socialism and worked towards bringing back capitalism through counter-revolution, the capitalist aberrations started getting manifest in their economies. A careful discerning would reveal that since despite all efforts the entire structure of socialist economy could not be dismantled in capitalist China by the capitalist-roaders even after a decade of completion of counter-revolution, the remnants of socialist economy in many cases are posing hindrance to speedy ingress of all the menaces of decadent moribund capitalism.

People need to foil the conspiracy

So, it is clear that while the crisis is of the ruling capitalist class, the entire brunt of the crisis is borne by the toiling people tormented by burning problems like appalling poverty, dwindling income, spiralling price rise, exploding unemployment, lack of proper cheap education, shelter and even potable water stemming from the very capitalist system and its economy subserving vested class interest of the handful of the ruling monopolists and their lackeys. The so called remedial measures or bailout initiatives are all meant to secure the rulers and their flunkies at the cost of further squeezing of the people at large. Same is the case with the steps proposed by the ruling quarters to salvage rupee. It will be the common man who is going to be guillotined.

There is no question of tolerating this onslaught lying low. People must thwart this ruinous move by developing powerful united organized sustained class and mass struggles conducive to the battle for overthrowing capitalism under correct revolutionary leadership. They must be alert of the fact that not only the known bourgeois political parties, even those who masquerade as leftists-Marxists like the CPI, CPI (M) are in the con game of dissuading them from this path of conscious movement and keep them arrested within the precincts of parliamentary vote politics to subserve bourgeois class interest and protect capitalism. In the instant case also, the leaders of the CPI, CPI (M) made no definite attempt to either unravel the chicanery of the bourgeois academicians to shield truth with fruitless pedagogic discourses or develop necessary parliamentary and extra-

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