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UNION BUDGET 2004

Fierce Onslaught With "Human" Mask

The Union finance minister P. Chidambaram placed the budget for 2004-05 before the Lok Sabha on July 8 last. It is to be remembered that the present United Progressive Alliance (UPA) government headed by the Congress could come to power because the people, suffering from the unbearable distress caused by the policy of "reforms" being pursued by its predecessor BJP-led NDA government, had voted against it out of deep resentment. The "reform" of course means the process of capitalist globalization, liberalization and privatization set in motion by the present prime minister Manmohan Singh in 1991 as the finance minister of the then Congress government at the Centre, a process of "reform" that has been causing untold misery to the people over the years subjecting them to ever increasing poverty and hardship. On assuming power, prime minister Manmohan Singh, sensing the deep-seated resentment of the people, had to declare that henceforth the "reforms" would have a "human face". A Common Minimum Programme (CMP) was drawn up to provide the "human face" to assuage public feeling, which was later on adopted by the UPA government as the National Common Minimum Programme (NCMP). Naturally, the present budget has been placed with the air as if its chief concern is to improve the lot of the common people as per the points laid down in the NCMP.

The NCMP spells out 7 economic objectives :

- 1) maintaining a growth rate of 7-8 percent per year for a sustained period;
- 2) providing universal access to quality basic education and health ;
- 3) generating gainful employment in agriculture, manufacturing and services, and promoting investment;
- 4) assuring 100 days' employment to the bread
- 5) focusing on agriculture and infrastructure ;
- 6) accelerating fiscal consolidation and reform ;
- 7) ensuring higher and more efficient fiscal devolution.

National and Foreign monopoly capital get boost

The crux of the matter is obviously to attain and maintain a high economic

growth rate (1 above). And the means to achieve this is through accelerating fiscal consolidation and reform (6 above), meaning the process of capitalist globalization, liberalization and privatization. As per the NCMP, the Congress, and the CPI(M) and its associates, too, are committed to speeding up this murderous process of "reform". In para 21 of his budget speech, finance minister Chidambaram stressed : "I believe that the key to growth is investment — public and private, domestic and foreign. It is therefore my intention to considerably enhance investment in all sectors of the economy.

Although he spoke about public investment for the sake of form, the policy of the Central as well as the state governments including those run by the CPI(M)-led combinations in West Bengal and Tripura has been, for well over a decade of "reforms", to discourage public investment, to reduce the quantum of public investment through disinvestment policy and to encourage private investment, privatization. So, what Chidambaram really had in mind was enhancing private investment — domestic and foreign. And

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Central Committee Condemns

Central Budget

Comrade Nihar Mukherjee, General Secretary, SUCI, in a statement issued on July 8, 2004 said that the Union Budget 2004 of the Congress-led UPA government, committed to pursue the capitalist economic reforms or the policy of globalization-liberalization-privatization, is, notwithstanding plethora of high sounding phrases to demonstrate a 'human face', no different in character from the previous ones. There is no mention of any stringent measure to recover over 1 lakh crore of non-performing assets from the unscrupulous industrialists and corporates, unearth lakhs of crores of black money, and haul up tax-defaulters and evaders. Nor is there any impost of tax on rural kulaks. The so-called thrust on rural sector is nothing but presentation of some revised figures of allocation that would bring no benefit to the poor but cheer the rural bourgeoisie who might rejoice at reduction of duty on tractors. Similarly, abolition of long term capital gains tax would cheer the big real estate dealers and stock market speculators. Likewise, increase in FDI limit in key service sectors like insurance and telecom would accelerate privatization spree.

In fine, this budget under a populist cloak, is outright anti-people and pro-capitalist and hence beneath all sound and fury lies an utter deception of the toiling people.

CPI(M)'s Trickery

Comrade Nihar Mukherjee, General Secretary, SUCI, in a statement issued on 12 July last, severely criticized the CPI(M) politburo's stand on the brazen anti-people pro-capitalist Union Budget 2004 which is aimed at vigorous pursuit of the capitalist economic reforms of liberalization-globalization-privatization that have wrecked the life and livelihood of the common people and other than giving some vague assurances, spelt nothing concrete to provide minimal relief to the toiling masses though being extremely prompt in granting substantial hike in unproductive defence expenditure.

The CPI(M), by refraining from taking any step that might destabilize the government and instead making a show of mock opposition to the provisions of raising FDI limit in three vital sectors and reduction in PF interest rate ostensibly to deceive the people, has virtually ensured a safe passage to the anti-people budget and also assured the Congress of its unstinted support. This once again proves the social-democratic character of the CPI(M) leadership.

Comrade Mukherjee called upon the toiling people to harbour no illusion of any amelioration to their plight from these sham Marxists and embrace the path of legitimate democratic mass movement to resist the onslaught of the capitalist budget.

UNION BUDGET 2004

Bounties Showered on Capitalist Class

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the budget abounds with measures to encourage investment, the investors, as the capitalists are euphemistically called these days. Only some of these will be mentioned here. On the ground that the NCMP (which, incidentally, was approved by the CPI(M), CPI etc.) declares that foreign direct investment (FDI) will continue to be encouraged and actively sought, particularly in areas of infrastructure, high-technology and exports, the sectoral cap (ceiling) for FDI in telecommunications has been raised from 49% to 74%, in civil aviation from 40% to 49% and in insurance from 26% to 49%. In the capital market, the procedures for registration and operation of FIIs (foreign institutional investors, that is, speculative foreign finance capital) will be made simpler and quicker. The investment ceiling for FIIs in debt funds has been raised from US\$ 1 bn to US\$ 1.75 bn. The tax on long-term capital gains from securities transactions has been abolished altogether. Instead, a meagre tax of 0.15% of the value of securities will be levied on transactions on stock exchanges. The tax on short-term capital gains from securities has been reduced to a flat rate of 10%. All these will benefit the speculative capital investors and manipulators.

Tax proposals to benefit monopolists

The budget has declared that the customs duties will be gradually brought down to align India's tariff structure to those of ASEAN countries, thus opening up the Indian market even more to foreign goods and services. It is notable that the CII (a chamber of commerce influenced by the Tata group) has been demanding that the tariffs should be at par with the ASEAN markets, thus coming closer to the markets of developed countries. The budget also stressed the necessity of quicker implementation of value-added tax (VAT) and noted with satisfaction that all the states had agreed to implement VAT by April 1, 2005. It is noteworthy that the chambers of commerce like the ASSOCHAM (influenced by the Ambani group) have been drawing attention to difficulties arising out of varying rates of sales tax from state to state.

The various exemptions, tax holidays and reliefs allowed to the industrialists-capitalists include the following. The agro-processing industries will be allowed a deduction of 100% of profits for 5 years and 25% of profits for the next 5 years for taxing purpose. In the manufacturing sector, the additional depreciation of 15% currently being allowed on new plant and machinery acquired or installed in existing undertakings will be continued, but the required increase in installed capacity to be entitled to this benefit will now be reduced from 25% to 10%. The automobile industry will be entitled to 150% deduction of expenditure on in-house R&D facilities. New hospitals with 100 or more beds set up in rural areas will be entitled to 100% deduction of their profits for a period of 5 years. Companies carrying on scientific research and development and approved by the Department of Scientific and Industrial Research before April 1, 2004 will be entitled to 100% deduction of profits for 10 years. Concessional rates of customs duty will now cover more items of tea and coffee plantation machinery. Tractors and dairy machinery will be fully exempt from excise duty. Excise duty on preparations of meat, poultry and fish has been reduced from 16% to 8% and that on food grade hexane (used in edible oil industry) has been reduced from 32% to 16%. The textile industry has been allowed a number of duty waivers. Tax exemption granted to Special Economic Zones (SEZ) and IT Parks will benefit only the owner-capitalists while the price-rise of steel will hard hit the common people and small and medium scale industry hitting hard employment situation.

Disinvestment of PSUs to continue

On assuming power, the UPA government sought to create an impression that it would put a brake on the policy of disinvestment of public sector enterprises (PSEs) whereby these enterprises built up at huge costs over many years with the people's money were being handed over to private owners at throwaway prices for the past few years as a part of the "reform", causing

considerable public outcry against it. But nothing could be farther from the truth. The disinvestment ministry was abolished, but the budget has kept nobody in any doubt that disinvestment and privatization will be an ongoing process by announcing that a Board for Reconstruction of Public Sector Enterprises (BRPSE) will be established to advise the government regularly and systematically on restructuring, disinvestment, closure or sale of PSEs. The budget estimates an yield of Rs. 4000 crore from disinvestments in the PSEs during the current financial year and declares that the government will dilute its holding even in the NTPC, a Navaratna company, by disinvesting about 5% of its holding.

"To make the environment in India attractive for investors," an Investment Commission will be established, authorized "to engage, discuss with and invite domestic and foreign businesses to invest in India". "The function of wooing domestic and foreign investors will be performed by the proposed Investment Commission". (para 57).

Whopping increase of defence budget

There has been a steep rise in the allocation for defence to Rs. 77,000 crore, as against Rs. 60,300 crore in last year's revised budget estimate, a whopping jump of 27.7% in just one year! What is more, within 2 days of presentation of the budget, defence minister Pranab Mukherjee went public on July 10 last in asserting that a further increase of Rs. 8000 crore in the defence budget was necessary and this additional resource would be sought through supplementaries later this year (report in the Statesman, 11.7.2004). There is no doubt that Mukherjee will have his way in securing this huge additional sum, because in this country of ours where the vast majority of the people still lack the primary necessities of life like food and shelter, not to speak of drinking water, medical attention and education even 57 years after independence, the governments at the Centre run by parties subservient to the ruling capitalist class have been increasing the military expenditure by leaps and bounds in each successive budget. This huge

expenditure is unproductive as far as the needs of the people are concerned but serves the purpose of the ruling class in the bid to mitigate the intense endemic crisis of capitalist economy by providing artificial stimulation to it, for providing military muscle to the Indian capitalist state with its well-developed imperialistic traits. Military expenditure is considered to be the sacred cow which cannot be touched – not only by the branded bourgeois parties but even by the pseudo-communist parties like the CPI(M) and the CPI who have never opposed the ever increasing military budgets although in the last analysis, the armed strength of the capitalist state is sure to be used to suppress mass discontent and to crush people's uprisings.

Interest declines — tax mounts

After having provided bounties galore to the capitalists, the budget goes on to launch fresh attacks on the people, in continuation to and in line with the fiscal savagery perpetrated by the BJP-led governments for the past few years. As compared to the last financial year, the interest rate on EPF has been reduced from 9.5% to 8% despite clamour by the CPI(M)-led leftists against it. This has further hard hit millions of employees who are already plagued with declining EPF interest rates for the past few years. The interest on small savings schemes has not been raised despite demands of the official leftists. The service tax net has been widened, covering 15 more sectors, and there has been a blanket increase of service tax from 8% to 10%. Finally, a 2% education cess will be levied on all Central taxes — income tax, corporation tax, excise duties, customs duties, and service tax — a "tax mandated by the NCMP" for "providing universal access to quality basic education...". What this education cess will actually achieve, will be examined presently. But what can be said straightaway is that as a result of the extension and increase of the service tax and the levying of education cess, cost of almost everything will go up and exert inflationary pressure hard hitting the common man.

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CPI(M)'s cosmetic opposition to budget proposals

Soon after the Finance Minister of the Congress-led CPI(M) backed central government placed the Union Budget 2004 in the Parliament, the CPI(M) leadership hailed it as "progressive" and appreciated it for its so-called emphasis on agriculture, education, employment and raising of the personal IT exemption limit. "In this budget", observed Sitaram Yechuri, CPI(M) politburo member, "the main direction of the Common Minimum Programme (CMP) has been followed". "As a declaration of intent, the budget expressed its concern on all major areas relating to people's welfare. Many measures in the right direction have been taken", observed People's Democracy, CPI(M)'s organ in its editorial of the issue dated 5-11 July, 2004. Such jubilation on the part of the CPI(M) is natural because its leaders have been claiming that this Congress-led UPA government has the wherewithal to articulate the concern of the poor people. "CPI(M) is conscious of the fact that the UPA government is interested to honouring the verdict of the people in the recent Lok Sabha elections and fulfilling its commitment to the Common Minimum Programme," a CPI(M) statement said.

So-called opposition to FDI

So it is clear that the budget is being praised by the CPI(M) leaders as a step in the right direction. But there are discomfiting features as well. Certain proposals in the budget are so glaringly anti-people that unless the CPI(M) leaders mock some opposition to those, they apprehend that holding on to their cunningly camouflaged "pro-poor left" image which is their sole capital for election, might prove extremely difficult. So it has become imperative for them to do some balancing act — supporting the anti-people UPA government to remain in the corridor of power and posing simultaneously as champions of the cause of the downtrodden by making populist gestures through show of opposition to some of the naked anti-poor policies. Hence the CPI(M) leaders, after applauding the UPA government for the budget, sounded reservation over increase in Foreign Direct Investment (FDI) limits in Telecom Insurance and Civil aviation. But surprisingly, the CPI(M) leadership in its official document, has given altogether different reasons for its opposition. Its concern has not been on account of the devastating consequences of increased FDI in vital sectors on the job security of the workers and protection of hard-owned trade union rights. On the contrary, CPI(M) politburo fears that augmentation of FDI ceiling "will give rise to reduced national control over the strategic areas and cause unnecessary outflow of foreign

exchange through repatriation of profits". So the CPI(M) leaders, in sharp contrast to what they are saying in public, are not viewing the issue from the people's point of view but are arguing in typical bourgeois pedagogic line as advisors to a bourgeois government.

The suppressed facts

But the CPI(M) leaders are deliberately suppressing two facts in voicing mock opposition to raising of FDI limit. The CMP which they duly endorsed clearly states in p.16 "Incentives to boost private investment will be introduced. FDI will continue to be encouraged and actively sought... the country needs and can easily absorb at least two to three times the present level of FDI inflow". So where is the departure from the CMP and how could the CPI(M) top brass deny that they had not approved this policy directive of the CMP they are so appreciative of? It may be mentioned that the CMP also does not rule out disinvestment of even profiteering PSUs as is sought to be impressed by the CPI(M) leaders. P. 18 of the CMP clearly states, "Generally", profit making companies will not be privatized. One has to view the so-called resentment of the CPI(M) leaders against privatization of Airports in this perspective as well.

Secondly, CPI(M) in principle, is not, as per their own admission, "anti-reforms" or averse to FDI inflow. The CPI(M)-led West Bengal government is actively and

at times desperately wooing foreign investors in a host of sectors to set up units in the state. The CPI(M) government has already announced several concessions and liberalized several areas for the foreign capital to pour in. For example, the previous BJP-led NDA government had enunciated a policy of declaring certain centers as Special Economic Zones (SEZs) to, what they called, "boost foreign investment in industrial and technical development." These SEZs were sought to be kept out of the purview of existing trade union regulations and certain other labour laws much to the glee of the investors from abroad, the big monopolists and MNCs whose sole objective is to usurp maximum profit through ruthless exploitation of cheap labour. The CPI(M) government in West Bengal, taking a cue from the communal BJP, has already declared to have such SEZs in IT and leather industry. In the current Union budget, the Congress and its associates also intended to extend the SEZs to seven more centers over and above the existing eleven. So, it obviates to say that there is no policy difference among the Congress, the CPI(M) or the BJP on the issue of invitation of foreign capital or in pursuing capitalist economic reforms.

The theatrics of protest

However, in order to play to the gallery, a section of the CPI(M) leaders particularly those in CITU, the party's trade union wing, assailed the government for hiking FDI limit and pegging down the P.F. rate from existing 9.5 % to 8 %. The CPI(M), during its election campaign, demanded increase of the rate to 12 % and so publicly conceding to such outright reversal by a government running on its unconditional support, is a trifle difficult. So the CPI(M) leadership postured to fight these proposals. M.K. Pandhe, the CITU president and CPI(M) politburo member threatened to bring a cut motion in the Parliament against the proposal of FDI hike. He also reminded that "In no country in the world, more than 25 % of FDI in telecom sector is given to the foreign companies. The governments' decision to give

complete control to telecom sector is anti-national and our party can never support this".

But then a bucketful of cold water was poured on all such belligerent postures. Sitaram Yechuri, CPI(M) politburo member and spokesperson ruled out any move on their part including moving cut motion that might disturb and destabilize the central government. "We do not want to create instability at the Centre" said Yechuri. He also mentioned that the CPI(M) would instead "try to make its viewpoint clarified to the government" and "shall go to the people to inform them about its opposition". And while exhibiting such cosmetic opposition to select proposals, the CPI(M) leaders are shamelessly justifying the budget proposal of imposing a flat 2% surcharge on all Central tax-slabs in the name of education cess. Everyone knows that such an additional levy, totally uncalled for in view of the mounting tax arrears and evasions, NPAs and spiralling circulation of black money, would go to the common pool of the government kitty only to be expended for any or sundry matter. Similarly a mind-boggling rise of 27% in the unproductive defence expenditure vis a vis a reduction of total subsidy by 14% at a time when starvation and starvation induced ailments are sniffing out thousands of lives, has not invited a single comment from the CPI(M) leadership. And finally, Rupchand Paul, the CPI(M) deputy leader in the Parliament, initiating debate on budget in the House said, "I have stood to support the budget... shall lend such support for next 5 years."

Perfidy of social-democrats

This is where lies the perfidy of the sham Marxists that the working people must be vigilant of. The apparent belligerence of the CPI(M) leaders, committed to protect the Congress-led UPA government subserving the ruling bourgeois class, is only to feign an opposition to hoodwink the toiling people. Had they been really concerned about the plight of the people languishing in wretched subhuman condition, they would not have shunned the struggling path of democratic mass movement against the capitalist system breeding all miseries and malice. But the CPI(M) leaders are now endorsing capitalist reform process, talking of "private-public

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Bush increases threat : World stands by Socialist Cuba

Socialist Cuba is the living example of the truth that a better world is possible. Cuba has become a source of inspiration, in particular, for the people of Latin America, languishing under the jackboot of US neo-colonialism, in their struggle against capitalist-imperialist oppression. Thus, by its very existence, Cuba poses a challenge before US imperialist might. And for this very reason Cuba is today under serious threat from US imperialism — all the more so with US presidential elections around the corner. The new black measures against Cuba, recently announced by the Bush administration are a glaring pointer to what is to follow. For the first time it has been openly declared that these include large additional funds for counter-revolutionary forces from abroad for entering Cuba to commit acts of sabotage, etc. and bring about regime-change. Side by side, there are more funds to finance the disinformation campaign. Worse still, the creation of a new post, namely that of coordinator for the transition to a 'free' Cuba, in the US State Department speaks for itself. US rulers are trying to deliver a death blow to Cuban economy by trying to ruin tourism, and drastically slashing remittances, among a host of other hostile measures. Not to speak of the black Helms Burton Act, to which have been added new teeth, and under which US imperialists have unilaterally arrogated to themselves the right to take punitive action — be it through lawsuits in US courts or denying visas to USA - against any company from any country doing business or investing in Cuba.

Though in the past differences between the European Union (EU) and the USA have arisen over the Helms-Burton Act as a reflection of the conflicting economic interests between these two imperialist blocs, this has never stood in the way of collusion among themselves when the question of basic class interests vis a vis the toiling people's interest arises. This has once more been glaringly illustrated during European Union, Latin America and Caribbean Summit (EU-LAC) in Guadalajara, Mexico, recently,

when EU representatives had at first flatly refused to include mention of the principles of international law enshrined in the United Nations Charter in the Final Declaration of this summit. They argued that the principle of non-intervention was no more valid. That the Cuban delegation could in the end score a moral victory over the EU with support from Latin American and Caribbean countries, is of course a different matter.

The US imperialists, in a state department report released on 14 June, accused Cuba of human trafficking and even started to circulate the ludicrous and nasty slander that Cuba is promoting sex tourism, involving children. As US presidential elections are approaching and Bush's faces bleak prospects with his popularity at an all time low, and threats against Cuba ever more menacing, the danger for direct military intervention in Cuba — the small island of 11 million people situated a mere 90 miles from Florida — becomes even more palpable.

Fidel Castro's caution to Bush

Fidel Castro, in his letter to Bush on 21 June, in a convincing rebuttal, outlining Cuban policies, charged USA with encouraging hateful, illegal emigration traffic through their own policies, and also stressed, inter alia, that no other country has given as much physical and moral protection, as much health and education to its children than Cuba has. Challenging Bush to show such feats in his own country, Fidel Castro cautioned Bush that the new cruel and aggressive measures against Cuba, driven by electoral considerations could backfire in the coming elections. Castro said: "As for Cuba, you allow yourself to be driven by the fanatical belief that your re-election in November depends on the support of a mob of well-known old terrorist émigrés and their descendents, a large section of whom were Batista's embezzlers and war criminals who sought refuge in the United States with their booty on their backs and their crimes unpunished. Others have grown rich through many years of service in acts of terrorism and aggressions that have cost our

people much blood. These groups are increasingly discredited and their influence diminishes. Everyone remembers what happened in Florida, where they committed all kinds of electoral frauds — in which they are truly experts — still you carried the state by only 518 votes. I do not wish to humiliate you by digging up this sordid and unpleasant subject. I will rather limit myself to telling you, with all sincerity, that the mistakes into which your commitments to this mob lead you may decisively backfire in the next elections."

Castro cried shame on US threats of war and cautioned Bush: "... Do not try crazy adventures such as surgical strikes or wars of attrition using sophisticated techniques, because you could lose control of the situation.

... I assure you that you would never win that war. You will not find here a divided people, conflicting ethnic groups nor profound religious differences, nor will there be traitorous generals commanding our troops. You will find a people solidly united by culture, feelings of solidarity and social and human achievements that are unprecedented in history. You will not win glory with military action against Cuba." ... "Today, Cuba has the most cultured and politically aware population ... Our people are not fanatics, our people defend ideas. This is not a country of illiterate or semi-illiterate people; it is a country where higher education is being made accessible to the whole population and where

courage and patriotism are becoming common traits. Experience and knowledge go hand in hand with its dreams of a society where justice and humanism can prevail, something that you with your fundamentalism and your messianic ways will find very hard to understand.

Today, we are not just a handful of men and women determined to win or die. We are millions of women and men ... Every political and military chief at every level, and every individual soldier, is a potential commander in chief who knows what s/he must do, and in a given situation each person can become his or her own commander in chief?..."

Finally pointing out to Bush to the fact that 44 million people in the US lack medical insurance and could not afford the astronomical costs of essential healthcare services there, due to which tens of thousands of lives are lost in the USA, perhaps thirty or forty times the number that died in the Twin Towers, Fidel Castro offered to provide medical treatment to 3000 Americans who could come to Cuba accompanied by a relative and receive medical treatment absolutely free of charge. "I wish to ask you a question, Mr. Bush," Castro added, "about ethics and principles. Would you be willing to give those people permission to come to Cuba on a program designed to save a life for every life lost in that horrendous attack on the Twin Towers?"

And, if they accepted the offer of those services and decided to come, would they be punished?

Show the world that there is an alternative to arrogance, war, genocide, hatred, egoism, hypocrisy and lies!

Abduction, Rape and Murder by Indian Army Condemned

Comrade Nihar Mukherjee, General Secretary, SUCI, in a statement issued on 16 July, 2004, seriously noted the powerful outburst of anger by a group of women who came on the streets of Imphal on 15th of July last, incensed at the reported abduction, rape, torture and shooting of 32 year old Thangjam Manorama by some soldiers belonging to the 17th Assam Rifles.

Comrade Mukherjee expressed strong indignation over this most brutal act indulged in by some Indian army personnel, and demanded high-power judicial inquiry into the incident as well as exemplary punishment to the guilty. Comrade Mukherjee also called upon the right-thinking people of the country to raise their voice of protest against this heinous act on the part of the army personnel.

UTUC-Lenin Sarani in International Labour Conference in Geneva

The International Labour Conference of 92nd Session of International Labour Organization (ILO) was held in Geneva, Switzerland from June 1-17, 2004 in which Comrade Shankar Saha, Secretary, All India Committee, UTUC-Lenin Sarani represented the organization. The Indian Workers' Delegation was composed of eight national trade union leaders from six central trade unions.

Comrade Shankar Saha was deputed to the Committee on the Application of Standards. The focus of the conference was directed on the performance of this all-important Committee in-as-much as it worked on the status of the countries violating the ratified Standards and prescribed measures for full implementation of Standards, as empowered by ILO Convention. Violation of ratified Standards in cases of 24-member countries were taken up for consideration, this year. While going through "information and reports on the application of Conventions and Recommendations", the so-called impartial role or rather the discriminatory role of the Scrutiny Committee referring the cases of failure to implement the Standards to the Committee came to the fore and was called into question.

During general discussion in the Plenary Session of the Committee Comrade Shankar Saha, commenting on Employment Policy Convention, said: globalization had led to downsizing, closures of factories and reduction in employment. However, the ILO did not talk of a right to work, only rights at work. Workers were accorded rights while they had

work, but these rights were lost if they lost their work. He, therefore, called upon the ILO to propose a constitutional amendment to provide for a minimum right to work, which would facilitate the development of a society in which all workers were employed and where production was aimed at satisfying the needs of the people, rather than the greed of capital.

With regard to Convention No.87: Freedom of Association and Protection of the Rights to organize, 1948, Comrade Saha took the opportunity to congratulate, on behalf of the Indian working class, the Government of Venezuela for having withstood the military coup of 2002. He noted with satisfaction the presence of all 5-trade union confederations representing the Venezuelan working class for the first time in the Conference.

He also expressed concern at Convention No.98: Right to organize Collective Bargaining, 1949, as it remained non-implemented in law or practice in Bangladesh despite its ratification in 1972.

On his wrap up discussion on the Report of the Committee on Application of Standards during plenary session of the Conference on June 17, 04, Comrade Shankar Saha deplored that during the last 85 years of ILO's existence many a Convention and Recommendation have been adopted but many of them including the Fundamental ones were not ratified by many countries not excluding the USA. Again, the implementations of the ratified Conventions are carried out more in violations than in acceptance and in its wake total

violations could not be assessed in absence of any reports sent by the defaulting countries. "A question very often haunts the mind of global workers as to whose democracy we exist in where millions of workers, according to ILO 50% of the working people, are denied their Fundamental Right to Collective Bargaining and forming associations; 4 billion people live a sub-human life with US \$ 1500 a year, when the fact remains that total accumulated wealth created by them coupled with advanced technology so far achieved, could be sufficient to satisfy the needs of whole of the people of all countries across the globe ! Continuing,

Comrade Saha added that in this era of neo-liberal globalization, the noble ILO Standards are the first victim. Informalisation of the formal sector is going on rapidly and as a result once the workers who used to enjoy the benefits of Standards are now deprived of them.

Drawing to a close, Comrade Saha drew the attention of the august house to the urging by the MNCs for 'union free industry' in which many a government find comfort. This process of dehumanization started long back with EPZ and is poised to gobble up every sector of industries. Sounding a note of caution, Comrade Saha ended, "We the 174 member countries present here in the ILO Meet must rise to the occasion to be equal to forestall this looming menace more pro-actively."

CPI(M)'s cosmetic opposition

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partnership" preaching class collaborationist theories, spreading illusion of industrial development and employment generation in the decadent capitalist system and boastfully taking up the responsibility of stabilizing a reactionary government run by the Congress, a most trusted party of the bourgeoisie, known for its downright anti-people policies, misrule and fascist character, in the name of preventing the BJP, another trusted bourgeois political outfit from coming to power. The Congress is well aware of that and hence is least perturbed at these empty threats of opposition by the CPI(M) which, it knows, are for public consumption and hence not to be taken seriously.

In fact, the CPI(M) leaders are shielding and protecting the moribund capitalist system by propagating that a bourgeois government or programme in this era of crisis ridden decadent capitalism can have a "human face". In the process they are trying to arrest mounting discontent of the working people within the four walls of some routine reformist agitations, diverting the attention of the toiling masses from the crux of the problem, back-stabbing class and mass-struggles, emasculating the working class movement from within and frustrating the possible transformation of the democratic mass movements into anti-capitalist

revolutionary movement. This is the character of typical social-democrats who act as a force of compromise between labour and capital and in the process function as agents of the bourgeoisie in the working class movement. It is for this treacherous role that they receive all patronage and backing from the ruling bourgeois class suffering from fear complex of anti-capitalist revolution.

Isolate social democrats from the masses

Working people must be vigilant against this betrayal to their cause by the social democrats, camouflaged as Marxists, as leftists. Those who thought that the CPI(M) would exert influence on the Congress to adopt pro-people policies might feel let down. But if they had carefully analysed the politics of the CPI(M) they could understand that such was never to be expected of it. As a social democratic force disguised as Marxist, the CPI(M) is destined to serve and protect the interest of the ruling capitalist class. The toiling people must force open the cordon of deception and chicanery of the sham Marxists and keep them isolated. They must take note of the fact that joining the revolutionary struggle for emancipation from the yoke of capitalist exploitation is the only course left to put an end to this life of humiliation, wrenching poverty and devastation.

AIMSS opposes clemency of capital punishment of Dhananjay

Dr. H. G. Jayalakshmi, General Secretary, All India Mahila Sanskritik Sangathan (AIMSS) in a statement issued on July 1, 2004, in support of the order of capital punishment of Dhananjay Chatterjee, a rapist-cum-killer, criticized the appeal for clemency of the perpetrator of such an unpardonable blood-curdling crime by some organization. Sympathy, if any, she said, should be with the victim and her family as misplaced sympathies create havoc in the health of the society.

She, on behalf of AIMSS, appealed to the women at large to develop mighty countrywide movement to ensure exemplary punishment to the criminals so that there is a check on such gruesome crimes.

UNION BUDGET 2004

Deception and trickery galore*Contd. from page 2***Hoax of "human face"**

On assuming prime ministership, Manmohan Singh, sensing the deep resentment against the "reforms" expressed by the people through the election, assured that the reforms would be pursued, but the reforms would henceforth have a "human face". Accordingly, the budget, while pursuing the main objective of the "reforms" to benefit the capitalist class at the cost of the people, has sought to provide the "human face" detailing how relief measures will be adopted, education and health care provided, agriculture and rural economy developed and employment opportunities augmented to benefit the poor. Towards the cost of implementing these benefits, the budget provides an extra sum of Rs.10,000 crore, augmenting the gross budgetary support of Rs. 1,35,071 crore provided in the interim budget presented by the Vajpayee government earlier this year. So, Rs.10,000 crore is the resource available to the government during the current year for implementing the additional schemes to benefit the people about which the budget waxes eloquent.

Schemes like Antyodaya Anna Yojana and Food for Work Programme are palliatives for the distressed and do not make for lasting benefits. And in any case, the rampant corruption customarily sees to it that bulk of the money and grains provided under such schemes do not find their way to the genuinely distressed people but are usurped by local political big wigs, traders and contractors in league with the corrupt government staff.

In the sphere of education, the budget assigns top priority to "providing basic education to all children", including providing a nutritious cooked mid-day meal to the children. For this purpose, a 2% education cess has been imposed on all central taxes. A noble and pious resolve, no doubt. But how will this be implemented? Where will this money go? It is expected by the Finance Minister that this cess will fetch Rs. 4000-5000 crore. But actually only a sum of Rs. 800 crore has been budgeted to this end. So, obviously, the rest of the cess collection will get diverted to meet the deficit or other non-

developmental purposes. A fraud per excellence! All the more so as the performance of the government in providing primary education has been dismal, to say the least. The district primary education programme (DPEP) has been the main primary education initiative of the government. During the three fiscal years 2001-02, 2002-03 & 2003-04, 21.3 lakh MT of foodgrain allocated under the mid-day meal scheme was wasted. During the same period, Rs. 2599.39 crore allocated for DPEP remained unutilized, not counting the huge monetary value of 21.3 lakh MT of foodgrain that was wasted (Report in the Statesman, 10.7.2004). Does the present Central government expect things to improve by a magic? Or is it providing for wastage and theft on an even larger scale by raising the allocation on education, while assuring the people that a new era is dawning in the sphere of primary education?

In the matter of health-care, the budget stresses the resolve to widen the scope of Health Insurance Scheme for the poor, but keeps mum on how the medical facilities will be made available to the poor and by whom. No budget allocation for health-care has been mentioned, not to speak of how the required resource will be raised.

We are constrained to observe that education and health-care for the people are serious vital issues, not to be toyed with in this manner. Projected expenditure on health and education was 4.5% of the GDP in 2002-03. The NCMP intends to raise it to 8-9% of the GDP. The reality is that this works out to an annual outlay varying between Rs.19,000 crore and Rs. 25,000 crore, the major share of which has to be provided by the states since both health and education are state subjects. Many state governments, including the West Bengal government run by the CPI(M)-led Left Front, have pleaded inability to raise the required money on the ground of paucity of funds.

Motive behind "Rural thrust"

It is through boosting agriculture and rural economy that the budget aims to promote 7-8% growth rate and generate more employment. For this, massive investment is proposed in

agriculture and rural economy. But despite such tall talks about "massive" investment in rural development, the fact remains that Rs. 15,998 crore has been allocated in this year's budget for rural development as against Rs. 19,200 crore in last year's budget placed by the BJP-led government, a reduction of over Rs. 3,200 crore! Even assuming that flow of agricultural credit will be increased, irrigation and rural infrastructure improved, agri-business encouraged and water supply augmented, who will be benefited by these? Credit facilities will be extended by public sector commercial banks, but who will be the recipients? Not the poor and middle peasants who form the bulk of the rural population, who have no bankability and who have been committing suicide in flocks unable to meet the ruthless demands of the money lenders, not only in Andhra Pradesh, Rajasthan, etc., but also in Left Front ruled West Bengal. The budget has made no provision to make available loans to them at nominal rates. So, the poor and middle peasants will continue to be at the mercy of the money-lenders and forced into distress sale of whatever land they still possess. The increased credit facilities will inevitably be directed towards the rural capitalist class as before. The parliamentary political parties jockeying for power, in order to protect and strengthen their vote-banks, will also see to it that the credit flows to the affluent political agents and kulaks owning allegiance to them. Thus the whole upshot will be that the rural affluents, the rural capitalists will reap the total benefit of the augmented credit facilities, irrigation, infrastructure, etc. It is they who will be benefited by lowered price of tractors, the lowering of excise duty for food processing industries and the provision of agricultural insurance — these are out of the reach of the common peasants who form the bulk of the rural population. Injecting investment in the rural areas on roads and infrastructure, irrigation, etc., with the immediate objective of creation of jobs, even if temporary, on the Keynesian model, was once applicable, in the context of cyclical variation of slump to boom of the capitalist economy. But in the context of the present

perpetual global recession of capitalist economy, that Keynesian solution is no longer possible.

Prime minister Manmohan Singh's preference for developing rural growth centres as hub of rural economic activities, to be initiated on experimental basis in some districts as per the budget, should be examined in this light. The object of this would be to partially transfer the manufacturing sector to the rural areas, where the rural poor will get jobs but at wage rates competitively the lowest in the world. They will virtually be working as slaves on hire and fire basis, without any rights. Thus the boosting of agriculture and rural economy, declared with fanfare in the budget, will benefit only the rural capitalists and the MNCs operating in the countryside.

Deception of Employment generation

This brings us to the question of generation of employment. With great air, the budget has declared that a National Employment Guarantee Act will be legislated for guaranteeing 100 days' employment in a year to one able bodied person from every poor household as per the NCMP. Although 100 days' employment in a year cannot be called full employment by any stretch of imagination, even such a partial solution of the unemployment problem is a gigantic task. To say that even the fringe of the unemployment problem can be touched by an enactment would be the height of naivety. If the unemployment problem could be solved through legislation, the Central and the state governments would have achieved that long back. Unemployment problem cannot be solved within the capitalist system because capitalism itself is the hindrance to achieving this goal. Under the NDA government, the Report drawn up by the Special Group on Targeting Ten Million Employment Opportunities per year admitted that even if the growth rate of the corporate sector could be pushed up to 30%, which is an impossibility, it would have only a marginal impact on the employment situation. Crisis in world capitalist economy has now attained such unprecedented magnitude and depth that to have "reforms with a human face" is an absurdity. How can ruthless exploitation by capital be attended with humane behaviour to the victims — the working people?

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Congress continues sinister 'reform', CPI(M), CPI abet

Contd. from page 6

Between 1991-92 and 1999-2000, employment in the organized sector dropped from 10% of the total labour force to 7%. Number of casual workers and those employed on contract basis is on the increase as against regular salaried workers. Advantages of the capitalists in adopting this system are obvious because such workers are employed on hire and fire basis without any benefits accruing to them from continuity of service. That is why, bourgeois economists are now all for increasing labour force in the unorganized sector at the cost of the organized sector. The NCMP also lays stress on providing employment in the unorganized sector and this has been reflected in the budget as well. That the government is not concerned about employment generation in the industrial sector, even in the small and medium scale industries, is shown by the withdrawal of 85 items from the reserved list for the SSIs. This will expose the SSIs to unequal competition with monopoly capital and multinationals. Further shrinkage of employment in small scale industries will be the end product. The talk about removing unemployment in the budget is a hoax. The stress is on providing some employment in unorganized sector, especially in rural areas where the workers will virtually become slaves at the mercy of the rural capitalists. The CPI(M) is a party to this, although its trade union wing is vocal in the TU fora about the workers' rights!

Kulaks, tax and credit defaulters spared

The budget reveals that the Congress, the initiator of globalization-liberalization-privatization policies in the country which were subsequently zealously pursued by the BJP-led NDA governments, remains firm adherent to those policies in the interest of national and foreign monopoly capital. The huge government expenditure envisaged on agriculture and rural economy will not make a serious dent on the unemployment problem but will serve to secure a larger share for export of agricultural products in the world market for the Indian capitalists. But there is no proposal to impose tax on

agriculture lest the rural rich are antagonized and the rural vote-bank is upset. India is perhaps the country with the lowest direct tax rate in the world. But instead of raising resources by increasing the tax on the rich, the budget provides them with numerous tax holidays, concessions and exemptions. Massive defaults in repayment of loans taken from the banks by the capitalists have resulted in accumulation of huge non-performing asset (NPA) of the banks. Huge sums also lie uncollected because of non-compliance in payment of taxes by the capitalists. There is no effort in the budget to recover these very huge sums or to bring the culprits to the book. And of course, there is not even a mention about unearthing the massive stockpile of black money that virtually runs a parallel economy in the country.

Budget sure to worsen people's plight

The budget pegs the revenue deficit at Rs.76,171 crore and the fiscal deficit at Rs. 1,37,407 crore. But there is no doubt that the actual deficits will be more. Deficit financing on such large scale cannot but create inflationary pressure. This, along with the cascading effect of diesel and petrol price hikes, extension and hike of service tax, 2% education cess on all Central taxes, leaving foodgrain prices to the vagaries of market withdrawing the price-support policy and the injection of huge sums of money in the name of public spending without any specific direction, clearly election-oriented, are bound to create intense inflationary pressure subjecting the people to unprecedented hardship. Already, even before the budget was placed, during the week ended 26 June, inflation rose to 6.09% and that too, on the basis of wholesale price index. So, exempting the taxpayers with total taxable income upto Rs.1,00,000 but keeping the maximum non-taxable limit at Rs.50,000 with previous rates intact in the name of benefiting the salaried middle-class people is already proving to be a hoax and will be more than offset by rising inflation in the coming days.

The capitalist class is on the offensive. During 1998-2000, lock-

outs accounted for 65% of total mandays lost in the organized sector and strikes accounted for 35%. The situation has worsened since then. But there is not a word in the budget of "human faced reforms" against lock-outs and closures. In the coming years, millions will lose their jobs in the PSEs, banks, insurance, post offices, government departments and the private industries and offices, even in the core sector through the use of contract labour, VRS, high-technology, computers and IT, Internet working and outsourcing to maximize the profits of monopoly capital through the "reforms". A move is afoot to amend the Industrial Disputes Act to render the workers and employees defenceless. The main avenue of employment, to whatever extent it would be generated, would henceforth be on contract, casual basis, namely in unorganized sector in rural areas, with the workers-employees having no permanence or fixity of service, no legal protection for renewal of service, no fixed working hours, at fixed consolidated pay without any medical, pension or other benefits the regular employees enjoy, and therefore with no trade union rights. To hide this stark reality, a conspiracy is on to paint the "reforms" as having a "human face", by painting a rosy picture of development of education, health-care and removal of unemployment

in the budget which, on examination, turns out to be a hoax. The object is to befool and lull the people while the onslaughts on them intensify. Whatever they may say, the CPI(M) and its associates who swear by leftism, are parties to this heinous conspiracy against the people.

The budget reflects no awareness of the level to which the distress of the common people has reached, no concern about the distressed people. Unemployment, deprivation, hunger and misery stalk the people in the towns and the countryside, lakhs of workers in tea, jute and silk industries are in utter distress, people in rural areas are dying of starvation and being forced to commit suicide — and even darker days are ahead. But the budget shows no concern about this. Our apprehension that the Congress, as a servitor of Indian capitalism, will follow the same course as that of the BJP under cover of tall talks and false promises — has been proved correct. Evil effects of capitalism cannot be combated by pursuing capitalistic reforms within the system. This should be an eye opener to those who had hoped that something positive would come out because of the association of the CPI(M) and its associates with this government.

It is for the people to understand the reality and rise up in protest to resist the conspiracy.

Comrade Tapas Dutta flays anti-people budget

Comrade Tapas Dutta, General Secretary, UTUC-Lenin Sarani, in a statement issued on 13 July, 2004 called the Union Budget 2004 a severe blow to the working people bleeding white under the ruthless exploitation of crisis-ridden moribund capitalism and reeling under the capitalist policy of liberalization-globalization-privatization which, masqueraded as economic reforms, is intended to be pursued yet more vigorously in the aforesaid budget thereby shifting the entire burden of capitalist crisis on the workers.

Lowering of interest rate on P.F, handing over vital sectors to foreign capital by augmenting FDI ceiling, removing 85 items out of the ambit of small scale industry, extending the concept of special economic zone where no trade union regulations will be operative to seven more centres, and allowing other institutions to run small saving schemes as a prelude to possible privatization of the postal system on the plea of depleted income, are some of the features of the budget that would devastate the working class.

Comrade Dutta expressed the hope that the central trade unions would appreciate the harrowing consequences of this anti-labour pro-capitalist budget and immediately come forward to build up a massive united sustained working class movement throughout the country to compel the central government to withdraw the anti-working class budget proposals under pressure of the movement.

Public transport fare hike in West Bengal

Every time oil prices go up in international market, it is a common practice with our central government, whether of the BJP or the Congress, to hike petrol-diesel and LPG prices irrespective of whether such increases are really wanted or not. The erstwhile BJP government deferred the scheduled hike in view of the elections, as such attempts to shift the burden on the common people does not go well with the electorates. The Congress, of course, did not hesitate to fulfil the unaccomplished task of the BJP as soon as it assumed power on the same pretext of global increase in crude oil prices. The CPI(M), pledge-bound to support the Congress-led UPA government for full term, shamelessly called this rise as "meagre" only to justify it.

But the CPI(M) did not stop at that. It showed extreme urgency to unilaterally declare another bout of transport fare hike in West Bengal taking shelter under the fuel price rise; such haste has not been felt by other state governments, even by known bourgeois parties. The CPI(M) transport minister, known for his intimacy with the private bus/taxi owners appointed a one-man committee of a bureaucrat, got a report prepared by him, did not feel the necessity to release the report to the public nor even to the state Assembly and announced a revised fare structure as per his exclusive whim and fancy and devoid of any iota of rationale. It may be added that before the recent fare increase, the bus fare in Calcutta was much higher than Mumbai, Delhi, Chennai, Hyderabad, Ahmedabad and other places. It appears as if to ensure the substantial profit margin to the private transport owners is his sole concern and the passengers' inconvenience, both in bearing progressively increasing tariff as well as horrible service condition, is something that merits consideration. The same transport minister during the previous increase of fare in April, 2003 said that the structure had been so devised as to absorb future increases in fuel prices. He also said that out of 15% hike, 9% would be spent for passenger comfort. Those who commute in the buses, both in

Calcutta and other areas of the state, know how comfortable they are in transit! Neither safety, nor punctuality, not even any traffic discipline is assured to them. Reckless driving and horrible condition of the interiors are often causing fatal accidents.

But the transport minister is unfazed. He has no reply to the legitimate questions raised centring round the most unjust anti-people fare hike. His has been a response of autocratic arrogance illustrative of rulers to whom logic ceases to weigh. Even the figures of oil price rise and the corresponding hike in transport fare provided by the state government are palpably wrong, distorted and often concocted.

This is the concern of the CPI(M) for the common people. Calcutta city had the first state transport in the country. The CPI(M) and its cohorts, in their misrule of 27 years, have systematically handed it over to the private owners. Now 90% of the buses is owned by private individuals.

The SUCI had been waging mass movements against such unjust anti-people fare hikes involving the passengers and forming passengers' committees. The SUCI workers were brutally assaulted, even maimed by the police and storm-troopers of the CPI(M) while protesting against the transport fare increase. This time also the passengers are responding to the call of the SUCI to build up a powerful resistance movement to stall the anti-people move of the CPI(M)-led West Bengal government.



Five left parties — SUCI, MCPI, CPI(ML), CPI(ML-Liberation) & ML-Committee held dharna on 27 June '04 in Hyderabad against hiked price of oil, coal & LPG.

Central Committee condemns opening of Consulate by Iraqi puppet government

Comrade Nihar Mukherjee, General Secretary, SUCI, issued the following statement on 10 July, 2004 :

We strongly condemn Congress-led CPI(M) supported central government's decision to allow US installed Iraqi government to open consulate in Mumbai. This is a clever manoeuvre on the part of the Indian government to give virtual recognition to US puppet regime in flagrant violation of Indian people's deep sentiment against US imperialist's Iraq invasion and occupation trampling down its sovereignty and freedom, only to satisfy US imperialists and Indian monopolists following the path of earlier BJP-led government.

We call upon the people to build up strong people's movement to compel the central government to withdraw its pro-monopolist decision.

Kalyan Singh's new version of Babri Masjid demolition

Kalyan Singh, the BJP chief minister of Uttar Pradesh during the Babri Masjid demolition in 1992, demonstrates an uncanny knack in fabricating truth. In his previous deposition before the Liberhan Commission probing into the infamous incident, he indicated barely a year ago that the BJP top brass, including Advani, were having a hand in the incident. He even threatened to unmask the BJP hierarchy. He repeatedly blamed BJP/RSS for hatching the conspiracy and went ahead with the execution keeping him in the dark. Of course, at that time he stood expelled from the BJP and spoke as a leader of his splinter group that dissociated from the parent party because of internal feud. But once he was coaxed back into the party before the election, and made office bearer at the highest level, his stand on Babri demolition also took a volte-face overnight. He now accuses Pakistani infiltrators for the crime!

Incredible no doubt. It means Pakistan managed to send over two

lakh ISI agents disguised as saffron-clad Ram bhakts who, eluding all security and intelligence cordon, brought down the entire structure with shovel and sticks within hours in the very presence of Advani, Murli Joshi, Uma Bharti and others who regaled the sight and provided all inspiration to the Pakistani infiltrators! One could very well ask what was Kalyan Singh as chief minister doing then? It was he who issued orders that no force was to be used against the "Kar Sevaks" alias ISI agents and instead they should be allowed to do whatever they wanted.

We know Kalyan Singh could not answer that. Because these hypocrite Hindutva-brandishing communal BJP leaders have no moral or political scruple for which they would speak the truth. Nor are they ashamed to make shifting statements in accordance with their shifting political colours! But he and his likes ought to remember that crime does never pay nor could truth lie undiscovered for long.

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