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Financial Resolution and Deposit Insurance 2017 (FRDI) Bill

Ferocious attack on whatever little peoples save in banks

It is clear that the BJP-led central government is in no mood to relent on repaying its debt to the ruling monopolists who pulled all strings from behind to install it in power. Of course, this unstinted backing was conditional that once in the government, the ruling BJP would go on framing one after another policy that would fatten their purse more and more, no matter if that means holding the common toiling people to ransom and squeeze out the last drop of their blood. So, the murderous run of economic onslaughts is on with more and more ferocity. First was sudden demonetization of 86% of currencies in circulation

on the false pretext of arresting black money and curbing corruption. Second was imposition of Goods and Services Tax (GST) which pushed the already escalating price line to further heights. And now has come the 'Financial Resolution and Deposit Insurance Bill, 2017 (FRDI Bill) that is aimed at virtual embezzlement of people's hard earned savings in the banks to bail out the banks artificially turned insolvent because of reckless and alacritous default of bank loans by large industrial houses and corporate tycoons. The economists-columnists wedded to the task of playing second fiddle to the government with all kinds of academic jargons, fake assurances and prattles of long term benefits of every anti-people move are also on the field with surfeit of counterfeit arguments to befuddle people and hoodwink them in every possible way. Earlier also, our Party armed with the teachings of Marxism-Leninism-Shibdas Ghosh Thought had

unravelling the heinous conspiracy behind introduction of demonetization and GST as well as the sweet-coated budgetary policies and announcements. The correctness of our analysis based upon scientific methodology of Marxism has been vindicated in every respect once the fallout of all such steps and policies surfaced with all ruinous impacts on people's life. An insight into the proposed FRDI Bill would also reveal what dangerous implications it is fraught with.

Self-contradictions galore in hiding sinister motive

The government is out as usual with its bag of spruced up justifications and pretended good intentions to make people believe that the Bill introduced in the Lok Sabha on August 10, 2017 and presently under the consideration of the Joint Committee of Parliament is "far more depositor

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SUCI(C) calls upon the countrymen to unitedly thwart the highly dangerous FRDI Bill slated to rob even the last penny of their hard earned money

Comrade Provash Ghosh, General Secretary, SUCI(C), issued the following statement on 16 December, 2017 :

After ravaging the economic life of the countrymen with twin blow of demonetization and GST, the BJP-led central government is now going to deal another deadly blow to them to serve the class interest of the top monopolists and giant corporate houses. It has introduced in Parliament on August 10, 2017 one 'Financial Resolution and Deposit Insurance Bill, 2017 (FRDI Bill)' which, in the name of handling insolvency of financial service providers, is slated to empower a newly established Corporation to freeze the bank accounts of the common depositors, alter the 'fixed' interest rate, delay withdrawal of bank deposits, transform the deposited amount into equities (shares of the bank listed on the stock exchanges) or transfer the deposits into capital market insurances (which are subject to the vagaries of the speculative market and hence can even be totally wiped out). Clearly, this Bill in the name of securing depositors' interest is going to make bank deposit most unsafe and relieving the government of its responsibility to protect the money of bank depositors in case any bank enters the zone of non-viability. Hitherto, it was 'bailing out' the

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Question haunting the world

In Europe, too, separatist-divisive forces growing dangerously : Why this ugly turn?

The continent of Europe is recently being rocked by a series of shockwaves. It is experiencing a two-faced phenomenon: on one side, to get over serious economic-political-social crisis, the rulers in addition to perpetrating exploitative economic oppression, are concentrating power more and more and on the other, as a fall-out of the overwhelming crisis aggravating with days, separatist-divisive tendencies are growing menacingly fast. Apparently contradictory, the two belong to one and the same process of exploitation and oppression of people coming heavily upon them.

In a major manifestation of this phenomenon, over and above life-threatening severe economic oppression, people of this or that European country are plagued with disunity-divisiveness-separatism-national exclusiveness. A few years back, a country like Great Britain endured a massive surge of separatist movement from Scotland, which the British rulers could thwart only by a thin margin in a referendum. Scotland was retained in Great Britain, but with a scar not removed. In Spain, the Parliament of Catalonia

approved a referendum for the Catalan independence, i.e., independence of the autonomous community of Catalonia, accompanied by massive demonstrations. The Spanish government declared it unconstitutional and illegal and suppressed it by brute force; parliamentary political parties of Spain opposed the separatist move and organized counter demonstrations. But the fact remained that the people of Spain were left to carry the virus of disunity and divisiveness. Yugoslavia, a fairly compact united country seen a few decades back are now shattered by separatist forces into a number of smaller and obviously weaker states, each playing as soft ground for the European or US imperialists to carry on their neo-colonial exploitation. Even in countries apparently without any separatist movements, the same virus is wreaking havoc on people where opinions stand bitterly divided. The issues fomented may be any combination of the following : whether or not to allow immigrants, as seen more particularly in countries like Austria, the Netherlands, Germany, France,

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FRDI Bill

Growing capitalist crisis and inhuman avaricious bourgeoisie are responsible for sickness of the banks

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friendly than many other jurisdictions” and “will strengthen the system by adding a comprehensive resolution regime”. “The objective of the government is to fully protect the interest of the financial institutions and depositors,” Arun Jaitley, union finance minister has said in a tweet. Is it so? What is the track record of this government in protecting people’s interest and people’s money? Every day, prices of commodities are rising alarmingly and unabated making a dent into people’s purse. On the other hand, there is mounting unemployment and job loss coupled with wage freeze and drastic wage cut ensuring that toiling people are dispossessed of all means to eke out a bare living. Unable to bear with the fierce economic attacks and worst forms of deception and deprivation, many poor peasants and retrenched workers are committing suicide. Hungry people are dying unnoticed, uncared for on the roadside. The outcome of ruthlessly oppressive capitalist exploitation sustained and strengthened by the government as the most obedient caretaker of the system is thus virulently manifest in the virtual ruination of the toiling millions. Over and above that, the BJP government felt no qualm in devastating their life with craftily designed stunts of demonetization and GST to dish out more doles to the ruling capitalist class by sucking out even more blood from the downtrodden and have-nots already bled white. And now, the eye has been turned on whatever little people can save in the banks for rainy days after being progressively squeezed by ongoing economic assaults in various ways. Already

there is progressive lowering of interest from banks and national savings schemes which hitherto were perceived to be safe. Every time, the Reserve Bank of India announces its periodic monetary policy, common people apprehend one more cut in bank interest. Just a few days back, the government merrily announced further slash in the interest from the national savings instruments. Does it mean that the government is having any concern for the common citizens? The government and the economists-experts on their pay roll argue that unless interest rates are lowered, lending to the industries would suffer. And if there is no supply of capital in the form of bank finance, how can industries flourish, strengthen economy and create jobs? Well gentlemen! Please answer why the industries are not coming up or shutters are downed on the existing factories and establishments? Is it because of dearth of capital? Or, it is due to the inherent law of capitalism where continuous pauperization of people because of capitalist exploitation shrinks market of the capitalists and the latter in turn close down the industries and refuses to make productive investment entailing economic meltdown? Even Economic Survey of 2015 admitted that projects worth 8.3 per cent of the GDP are investment in “suspended animation” meaning that the industries which were to come up as per announcement are held back because of market crisis. The finance minister has not indicated in the last two years whether any of these industries has seen the light of day. And we know that as trusted servant of the ruling bourgeoisie, he

cannot spell it out and let the cat out of the bag. So he, his prime minister and other cabinet colleagues are busy concocting arguments and selling illusion of long term benefits to suppress truth and dupe people. The entire banking industry is now gasping. There is hardly any taker of fresh loan. On the other hand, the NPAs (Non-performing assets) in the banks are reported to have crossed Rs 11 lakh crores. Over 60% of the NPAs are with Public Sector Banks (PSBs). Over and above, there is sizeable amount of stressed assets (loans that are unlikely to be repaid). The total stressed assets including bad loans, doubtful loans and restructured loans in banks are in the region of Rs 15 lakh crore. What the government and its pliant circle need to answer is why are the NPAs or defaulted loans mostly by the top monopoly houses (Two-third of impaired loans relates to just 24 big companies owned by the top monopolists of the country) scaling mountain-high? Does it not indicate, as per the economic theory they all avidly pursue and advocate that the industries are not generating enough cash to pay back loans? So, as per argument, if there is “no appetite for fresh capital” by the industries, how prudent is it to argue that lowering interest rate would facilitate disbursement of loans to the industries? In fact, those who are privy to the truth know that banks are having no taker of loans. On the contrary, there is slump in even disbursement of consumer as well as housing loans because of continuous dent in the earnings of the people at large. Hence, the earning of the banks is going down and there is a frantic attempt to survive by lowering interest rate, discouraging long term deposit, mergers and amalgamation and switching to selling non-banking products like insurance, mutual funds, etc.

From that perspective, it then had a social outlook. But once capitalism entered the stage of monopoly, lost all its progressive role, became decadent and turned reactionary, there has been a systematic attempt on the part of the ruling capitalists to abuse the banking industry in the fullest possible way to serve their narrow sectarian class interest of multiplying wealth caring a fig for the common depositors. Instead of ensuring safety of people’s deposit in the banks, the ruling monopolists are now out to misappropriate people’s money in a variety of ways even if that entails total collapse of the banking system and turning the depositors into beggars. Laws are being made and merrily bent for that purpose. So, the growing capitalist crisis endemic of the system and the inhuman avaricious bourgeoisie are responsible for this sickness of the banks.

Banks and industries are sick, not the industrialists and monopoly houses

Next point is that there is cogent reason to believe that along with sickness of the banks and the industries, the industrialists have also been falling sick. According to a report by Credit Suisse, the Reliance-group owes Rs 1.25 lakh crore to the banks, the largest amount owed by any company. But, Mukesh Ambani, owner of Reliance, added a staggering USD 15.3 billion (over Rs 1 lakh crore) to increase his wealth by 67% in last one year and become one of Asia’s top five richest. (Zee News 05-10-17) In fact, not a single owner of the defaulting industries is having any depletion of their wealth. Rather, their wealth is multiplying. Industrial tycoons on the 2017 Forbes India rich list saw their wealth soar with their combined fortunes rising 26 per cent to \$479 billion (over Rs 31 lakh crore). It shows that the moment an industrialist senses that the industry is going to be in the reds, quietly he shifts his profit and other gains to his kitty and then raises his hands pleading inability to pay back the loans. It is an open secret that all the top monopoly houses have their own overt or covert broker firms through which they play in the speculative capital market to make quick bucks. Whose money they play with? Any genuine probe might reveal that it is the bank money availed of in the form of industrial loans but then diverted to speculation for personal

SUCI(C) against FRDI bill

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sick or bankrupt banks and financial institutions by the government through the route of recapitalization by drawing into public exchequer. Now the term coined in the proposed bill is ‘bail in’ meaning internal mechanism to rescue the bank or financial institution using the hard earned money of the countrymen, arbitrarily and whimsically. Needless to say that this bill has been brought in the context of the multiplying Non-performing assets (NPAs) or bad loans in the banks because of wilful default by a handful of the top industrialists and business tycoons whom the government now wants to virtually subsidize by embezzling people’s own money.

We call upon each and every countryman to rise up in vehement protest against this murderous attack on the common people and immediately unleash a united powerful movement with all might to thwart this ferocious attack on the part of the BJP government whose sole responsibility has become to squeeze people upto the last drop of blood, squarely pass on them the entire burden of the accentuating capitalist crisis and nakedly bail out the ruling guilty monopolists.

Growing insolvable capitalist crisis is making the banking industry sick

It may be recalled that when banking system came into being during the rising period of capitalism, surely it was primarily aimed at serving the need for supplying capital to the capitalists for industrialization by pooling people’s savings. But it also catered to the social need of safekeeping people’s savings by encouraging thrift and enabling people to increase their money by way of receiving interest.

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FRDI Bill**Common depositors are victimized by plummeting interest, swindling of their money as NPAs, recompensing of defaulted loan through recapitalization and now 'bail-in' of sick banks***Contd. from page 2*

gains. But when the question comes of repaying the loan, they throw up their arms and give plea of industrial slump or recession to justify default. This is how, the big monopolists in connivance with the government administration and top bank management conspiratorially paint the banks to be sick or unviable. This sickness or loss-making is a precipitated one. Viewed from this angle, there is no real loss the banks are stated to be suffering from. This is an artificially created insolvency. But then the bourgeois government craftily suppresses the truth, takes a lenient view of such a deliberate fraud on the people, grants amnesty to the defaulting monopolists, condones their default, write off their loans and then draws into public exchequer to 'rescue' the banks by injecting money into their kitty which is called recapitalization in the books of bourgeois economy. The government has already declared that it would recapitalise the bust banks with Rs 2.11 lakh-crore. This is termed as bail-out. Not just that. If an ordinary person defaults two instalment of repayment of consumer loans, the banks seizes his hypothecated property. If a poor peasant defaulted bank loan because of crop failure or non-availability of remunerative price for his produce, his land, if any, or other immovable or movable properties, are confiscated. But, for corporate or industrial depositors, the rule is different. In a cunning move, the government has also cleared the desk for granting fresh loans to the wilfully defaulting industrialists and large corporates. It has created Asset Reconstruction Companies (ARCs) which would buy out bad loan portfolios of the banks at a nominal price against issue of security receipts. These security receipts would appear as assets in the books of the banks and thus the figure of NPAs would be brought down substantially to show a sick bank healthy. With removal of their names from the list of defaulters, the defaulting companies again become candidates for getting fresh loans. For example, Gautam Adani, another top monopolist stated to be very close to the Prime Minister, who defaults almost 1 lakh crore of bank loans but moves up to 10th position in the list of the richest by increasing his net worth from

USD 6.3 billion to USD 11 billion, has received a fresh loan of Rs 3,000 crores from State Bank of India for its disputed mining business in Australia. Are not, therefore, provisions deliberately created for continued pilferage of people's savings by the unscrupulous businessmen and monopolists? What can one call these other than bending of rules to reward the guilty monopoly houses and penalize common people? During the course of the last three years, the BJP government has written off corporate loans to the tune of Rs 2 lakh crores. This amount is almost equal to the amount of total subsidy the government reluctantly grants towards food and agricultural inputs. What does it mean other than legalizing plundering of people's money? So, who misuses or misappropriates people's money? The top monopolists, giant industrial houses and corporate barons. Who continue to amass huge wealth? The same privileged few. Who loses money? The common people. Their income from hard-earned savings in the banks continuously depletes because of plummeting interest rate. Their own savings in bank deposits are, so to say, swindled by the industrial behemoths and business tycoons in the form of defaulted loans. Then again their money paid as direct as well as indirect to the exchequer is used not for their welfare but for recapitalizing the banks to the extent of swindling by the persons or entities named above.

Deadly blow of FRDI Bill

But then ruling capitalism and its servitors are not content with this large scale fleecing of the people. Now, they are weaving plots of mega-fleecing. And that is what is exactly objectified in the FRDI Bill. Let us briefly mention the features of this dangerous bill which themselves would be self-explanatory in regard to the sinister motive behind and ferocity of the bill.

As per the proposed FRDI Bill, a new Resolution Corporation will be established and it would be tasked solely to deal with the failed financial institutions such as banks and insurance companies but would not have any role in the day to day working of these institutions. Broadly designed along the lines of the Federal Deposit Insurance

Corporation (FDIC) in the United States, the new Resolution Corporation will also replace the existing deposit insurance framework which guarantees payment of Rs 1 lakh as compensation to the depositors if they incur loss on account of failing of a bank. If any financial institution like a bank is classified to be at "critical risk to viability" or in simple term, becomes bankrupt, the Resolution Corporation would swing into action, using traditional tools such as liquidation, merger or amalgamation, transfer of assets and liabilities to a healthy institution as well as new tools such as, among other things, bail-in. While a bail-out means use of public funds to inject fresh capital into an ailing bank or financial institution to compensate the loss it incurs, a bail-in involves using depositors' funds to achieve those ends. This can be done by the new Resolution Corporation in two ways. It might freeze the bank accounts of the common depositors, delay withdrawal of the bank savings and arbitrarily and unilaterally lower the interest rate and deciding how much of the total deposited money would be paid back. Or it would, if it feels so, transform the bank deposits into equity share of the tumbling bank (whose value obviously is nil or negligible) or transfer the deposits into capital market instruments like shares, bonds etc. which are exposed to the risks of the fluctuating stock market. Bail-in would thus be one under which creditors and depositors would absorb some or the entire of the losses in a scenario where a financial institution like a bank fails. The Corporation would also decide how much the depositors are to be refunded out of their total deposit. It would also decide if the present deposit insurance cover of Rs 1 lakh as mentioned above would continue, go down or increase. All of us know that a deposit in a bank is a contract between the bank (loaner or money taker) and the depositor (loanee or money giver). This contract is governed by the Banking Regulations Act. Since the Corporation would be vested with the exclusive power of deciding what would be necessary to revive or liquidate a bank or financial institution, it might even abrogate the very contract between the bank and

the depositor and forfeit the entire deposit. So, the bank deposits would no more be safe and the depositors might end up losing either fully or partially their entire savings in case a bank is declared broke not because of any fault of theirs but due to planned siphoning out of their money by the industrial and corporate bigwigs. What would such larceny be called? Prudent economic step or granting legality to forfeiture of bank deposits of toiling masses? By using a statutory corporation as a puppet, the government is arrogating to itself the exclusive right to rob people of their own hard-earned money in the name of "quick, orderly and efficient resolution in favour of depositors". If one talks of putting adequate safeguard to banking industry, propriety demands formulation of stringent laws to haul up and punish the culprits who systematically rig the system and force toiling people to pay for their sin. Has that been done or it has been articulation of the proverbial saying 'one doth the scathe and another hath the scorn'? This is not just a paradox or height of injustice. This is a broad-daylight robbery. And this robbery is painted by the bourgeois government as protection of "the interest of the depositors". This is the hideous underbelly of the catchy slogan of *Saabka saath, saabka vikas* (Prosperity of one and all together).

Incidentally, some shameless defenders of FRDI Bill further argues that since the depositors are gaining by way of interest from their bank savings, they are stakeholders and hence must bear the risk the banks are taking in investing their corpus. This is another gangster's logic. Do the bank depositors have any say in the decision making of the banks about loan distribution or what is called in technical language, portfolio selection? Do they have any right to know if the banks are timely resorting to portfolio diversification to minimize risk? Then how can the question of their sharing risk of investment arise? Let us put another question to such votaries of decadent moribund corrupt capitalist system. Bank deposit is a liability or a debt for the bank. How can a debt be used for financing defaulted debt? Does any 'prudential accounting norm' in the

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FRDI Bill**Government has no concern for people's plight but is bent upon slaying the slain with overdose of cruel economic oppression and fiscal savagery***Contd. from page 3*

text books of bourgeois economy endorse that? Or, it is viewed as a tampering of the basic propositions or tenets of bourgeois accounting? So, all these arguments are nothing but rubbish and ill-conceived to camouflage a crime on common people.

Some advocates of FRDI Bill also try to sooth the frayed temper of the enraged people by making hollow comforting utterances that there is no imminent danger of any bank falling sick as to entail the necessity of impounding depositors' money. Again they ought to be accused of knowingly distorting facts and giving false assurances. Already the Kapol Co-operative Bank of Mumbai has been declared insolvent and RBI has barred depositors from withdrawing more than Rs 3,000 from their savings and current bank accounts irrespective of their balances. RBI also said that the co-operative bank would not be able to grant or renew any loans or advances. RBI has put restrictions on lending by seven public sector banks namely lenders Oriental Bank of Commerce, Dena Bank, Central Bank of India, IDBI Bank, Indian Overseas Bank, Bank of Maharashtra and UCO Bank and advised them to stay off risky assets so that their financial health is not stressed further. Of late, Corporation Bank is also added in the list. Rating agency ICRA has stated that 16 government owned banks out of 21 (excluding SBI associates) and two out of 16 private banks might come under the PCA (prompt corrective action) framework. This is how the Rs. 90 lakh crore banking industry is being plundered and plagued by the big monopoly houses. Incidentally, on the basis of their economy and industry risk criteria, Standard & Poor's (S&P), the international rating agency, has classified the Indian banking sector under 'Group 5' to be on par with countries such as Italy, Spain and Ireland, sunk in severe economic crisis because of excessive sovereign debt. So perilous is the condition of the Indian banks.

Ploy to shift people's money more and more to speculation

Alongside, there is a shrewd move to shift people's savings to speculative capital market. The clauses of the 'bail-in' provision of

FRDI Bill bear eloquent testimony to that. Pointing out the continuous fall in the interest rate from bank and national saving deposits, people are lured to opt for capital market instruments like equity shares, bonds etc. or use the conduit of mutual funds to have exposure in the capital market and reap better returns. Why this? Because, as we mentioned above, the ruling bourgeoisie is now sunk in the growing insolvent market crisis and recession. So, it is now moving its capital from productive investment to other areas including large scale speculation. Once people's savings are also diverted to capital market in a big manner, more funds would be infused in speculation. With increased cash chasing prices of limited number of shares and loan instruments like bonds listed on the capital market for speculative trading, the prices of speculative instruments like equity shares would rise phenomenally. To put it in simple terms, if 30 shares earlier chased by Rs 3000 are now hunted by Rs 30,000, a share hitherto sold at Rs 10 would fetch a price of Rs 100. This simulated boom of the capital market would then be projected as "positive trends of economy", "rising market sentiment" and so forth. Riding on this so called boom triggered by pumping in people's money in the speculative arena, the punters who call the shot from behind through a slew of manipulative tricks would

book hefty gains while common people whose money is thus forcibly channelized to speculation would ultimately stand to lose. So it is double-edged sword for the oppressed countrymen. On the one hand, they are back-broken because of relentlessly bearing the burden of growing capitalist crisis in the form of buying items at progressively higher price, rapid fall in real income, mounting unemployment and job loss. Over and above, they are now served notice of being ready to lose whatever little they save in the banks either by way of outright forfeiture or mandatory gambling on the bourse. This is the cruel horrific face of decadent moribund corrupt inhuman capitalism. Every policy the BJP-led government makes, every decision it takes, every roadmap it lays is in naked subservience to the bourgeois class interest and the common people are always at the receiving end. This government has not the least concern for their plight and penury but is bent upon slaying the slain with overdose of gruelling economic oppression and fiscal savagery because that is the mandate it receives from its masters, the ruling capitalist class, and which it executes with impeccable sincerity. FRDI Bill brings that once more sharply to the fore.

FRDI Bill must be thwarted at any cost

There is no scope for lying low anymore and acquiesce in every

monstrous economic attack on life and livelihood. These must be thwarted at any cost. It is heartening to note that people have been refusing to buy the logic advanced by the government in support of its repeated bouts of economic onslaughts and rising in protest. Sensing the fast accumulation of people's rage, the government has postponed introduction of the FRDI Bill slated for the current winter session. But, the devil is not starved of subterfuge. It would make every effort to pass the Bill at an opportune moment. So, there should not be any let up in sustaining the pressure of people's organized protest crystallized in the form of a countrywide organized sustained movement powerful enough to compel the government withdraw the Bill, lock-stock and barrel. While the so called bourgeois opposition is not expected to shoulder the responsibility of building up such a movement, regrettably those who call themselves Marxists-leftists and enjoy concurrence of the bourgeois media to this credential are also found to be averse to taking true initiative in this regard. Their opposition is only limited within the precincts of bourgeois vote politics and aimed at deriving electoral mileage. But, suffering people must realize this is a ferocious economic attack which needs to be repelled with all might.



Disdaining red eyes and punitive steps of the TMC-led West Bengal government, around 30 thousand ASHA workers rallied in Kolkata on 18 December under the banner of AIUTUC in Kolkata to press for their 12-point charter of legitimate demands. Comrades Dilip Bhattacharyya, West Bengal State Secretary, AIUTUC and Balendra Katiyar, leader of ASHA workers' movement in UP and Madhabi Pandit, Ismitara Khatun and Dr. Kishan Pradhan addressed the gathering.

Europe

Ruling capitalists-imperialists bring down two-pronged attack on people

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Hungary or other east European countries; or, whether or not to continue with the euro, the European Union common currency, as for instance in Greece or Italy, or even remain within the European Union itself or not, of which Britain holding Brexit poll provided the most significant example, while several other countries stand in the queue of joining the chorus of disintegrating and dissociating from the EU. In many cases, if not all, the issues are fanned up by what are known as right reactionary forces, in cases even with neo-Nazi identity, and stoke rabid national jingoism or exclusiveness, which latter bear the tendency to grow into separatism-secessionism. Of course, Europe is not the only part of the world where this epidemic is playing havoc. The air in the USA which boasts of being the champion of democracy, is now rent with the slogan and arrogance of American exclusiveness; and cruel killings often bear the angle of ethnic hatred being fanned up by the US imperialist rulers. The countries of Asia-Africa-Latin America, many of which are traditionally troubled with divisive tendencies are also facing fresh surge of divisiveness—separatism, in the form of religious fundamentalist or community strife, ethnic cleansing or the sorts.

Today's strife-torn Europe was the birthplace of modern civilization with call of unification

The question that naturally comes out, is : Why this relatively recent, yet continued resurfacing of disunity and divisiveness, particularly in countries of a continent like Europe. One cannot forget that it is in several countries of this same continent of Europe that the human civilization once saw the dawn of democratic revolutions, the dawn of the Renaissance which subsequently illumined the entire world. Those were the days when feudalism standing as a barrier to progress of society was characterized by constant conflict, clashes and wars among the landlords and monarchs for gaining power. These as well as narrow sectarianism, obscurantism, bigotry, superstitious thoughts embedded in different religious scriptures, all ingrained in feudal society, kept people fragmented with divisiveness. But those were also the days when the newly emerging

class, the bourgeoisie fought tooth and nail against feudalism, as far as they could, to uproot and overthrow this barrier to progress of society and establish a new social order breaking the chains of feudal, monarchical authoritarianism. So they raised the slogans of 'equality, liberty and fraternity'; they united people hitherto divided on thousand and one divisive traits, into what came to be known as modern nations. Any such nation was built upon the concepts of nationhood, that created a common bondage, a common feeling among the people irrespective of religion, language, ethnicity etc., that provided the foundation of nationalism to grow. It thus unified people cherishing concepts of democracy, individual freedom, equal rights for all in the eyes of law and state and so on. The new society thus emerging opened new vistas of modern science and rationality to the mankind, fighting out blind faith and submission. And it was not confined to Europe. For instance, even on the other side of the Atlantic, the USA reverberated the same feelings, by defining democracy : 'Of the people, for the people, by the people'.

Emerging capitalist economy needed freedom for serfs, unified national market

Of course, it was also the age of growth and development of capitalism as a system riding on modern science, technology and finally industrial revolution. Modern industry coming in place of handicrafts and thereby enhancing man's power to produce and establish command over vagaries of nature, needed people to work for them in industries. Thus the capitalists raised with fervour and vigour the call for individual freedom, for determining one's own way of life and living with a view to freeing serfs from the clutches of old feudal order. Newly formed modern nations covering particular geographic territories provided the new labour power of people unified on the common bond of nationalism. Democratic nation states amalgamating and unifying smaller feudal economies based on agriculture and handicrafts created new enlarged market for the highly increased volumes and varieties of products of industries. That laid down the infrastructure upon which was built the new brand of civilization, the bourgeois society, the capitalist

state. It began with the *laissez faire* economy of free competition among the rising capitalists. But in course of this process it gave birth to monopoly. Being based on exploitation it, at the same time, brought in continuous impoverishment of the masses, and concomitant crisis of market at home. It became necessary for the capitalists to search for market outside the national boundaries. So the capitalists spread out in the world, established colonies and thus tried to extend their markets.

In the age of decadence of capitalism, the bourgeoisie lost its uncompromising fervour

Most of these colonies lay in Asia-Africa- Latin America, where indigenous feudal lords collaborated with the colonial- later turned imperialist rulers. These colonies too had the process of nationhood developed in them, as they waged anti-colonial, anti-imperialist, anti-feudal struggles. But those struggles took place in the era of decadence of capitalism, that is the era of monopoly and imperialism. It was found that during these days, the bourgeoisie as a class could no longer maintain whatever uncompromising zeal and fervour they bore in their struggle against feudalism-monarchy during the days of their emergence. Rather from the inherent fear-complex of working class revolutionary movement that had been growing steadily, the bourgeoisie developed compromising attitude towards feudalism and imperialism. This was glaringly evident in case of the leadership of

the anti-imperialist struggles in colonies, whenever it was in the hands of the respective national bourgeoisie. Such leadership compromised with imperialism and feudalism only to usurp power for themselves and thus the nations that developed in those colonies tended to bear scores of divisive traits and narrow sectarian thoughts and approaches on religion, language, ethnicity, caste-creed etc., among people as hangovers of feudal legacy. The new rulers, the capitalists of the land even exploited these traits to keep people divided and pitted against each other.

Capitalism today unable to come out of irresolvable market crises and recession

On the other hand, particularly the leading capitalist countries of western Europe had their nationhood developed through a relatively vigorous uncompromising struggle against feudalism and monarchy, through prolonged cultural movements of the Renaissance. They followed, to a greater or lesser extent, the required process of nation- building which unified their respective people fairly strongly into compact homogenous nationhood they aspired and fought for.

Subsequently as these traditionally powerful capitalists developed monopoly, exploitation they became ruthless resulting in further loss of people's purchasing power, which in turn, resulted in more and more aggravation of market crisis. As said above, they

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Statewide protest in UP by the SUCI(C) and other left parties against doubling of power tariff by the BJP government despite 40% drop in coal price.

Europe

Bourgeoisie once unified people, on reaching imperialism they foment disintegration-separatism-national jingoism-exclusiveness

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grew into imperialist forces and subjugated other countries as external markets for them. Finally they fought two world wars among themselves for gaining and consolidating markets. All these made it clear that they had entered deep into the decadent stage of their capitalist-imperialist system. They are enmeshed in market crisis they had created themselves by exploiting, rather fleecing people for earning maximum profit, and they cannot get over this crisis despite all their efforts and measures. Even world wars did not solve their problems. Rather, in the post war period, their colonies have largely slipped out of the grip of the imperialist powers to emerge as independent capitalist countries, thus bringing their markets out of the direct power of the imperialists. There developed a mighty socialist camp to squeeze the market further for the imperialists. Even after dissolution of the socialist camp and despite neo-colonial exploitation, or the more recent palliative of globalization, the capitalists-imperialists are not being able to avert crisis of market. Rather with unbridled exploitation people are losing their purchasing power every day, every moment even in advanced capitalist-imperialist countries, not to speak of weaker countries. Industrial-economic development is totally halted. Recession, stagnation, job loss and retrenchment of workers, now called 'downsizing the work force', adds to the army of millions and millions of unemployed, further telling upon purchasing power of people and hence causing further squeezing of market. The cycle goes on; the rulers try palliatives, bail-outs and bail-ins, only to ensure the maximum profit for a few powerful corporate houses and their owner monopolists while the masses are gifted with austerity measures to throw them from frying pan into fire. The crisis and recession persist as ever-looming omen at the near and distant horizons.

To misdirect mounting resentment of people, capitalism foment disintegration, separatism that they once rejected

But inexorably the process gives birth to resentment, wrath and protest in people, the overwhelming

majority of population of any country. Life's compulsion makes them restless in face of the ruthless offensive which the ruling monopolists are launching every day. That is bursting forth in people's movement coming up now and then in this or that European country, even in USA against the policies of their government. Not all of them could gain even any temporary relief. But they clearly express people's resentment against government policies framed at the exclusive service of the monopolies.

In the face of these, the ruling class, the monopolists and their henchmen try to hunt out thousand and one anticipatory means to stave off people's wrath. They take resort to two pronged attack. On one side, they implement politically-economically oppressive measures. On the other hand, they foment divisive-separatist moves. The intent is clear. Burden people with crisis, suppress or disunite them so that they can not protest.

Thus somewhere the capitalist rulers resort to stringent measures studded with black acts that wrest from people the democratic, even fundamental rights as well as social welfare measures that people have earned through sustained arduous struggles through years, even decades. Recent changes in labour laws in France stand as an example. Even in different countries keeping the facade of democracy, the capitalist rulers are gradually assuming naked bourgeois dictatorial rule of the handful monopolists. This way, they plan to thwart people's protest and gag their resentful voice, so as to implement the exploitative – oppressive measures smoothly without hindrance. For instance, among many such moves, in Italy, once the citadel of the Renaissance, the government brought in a set of so-called constitutional reforms in December 2016 to centralize power from regional governments. But even such moves are always not working for the rulers, as in Italy the referendum held for the purpose was rejected by people in a resounding way forcing the Prime Minister to resign. In other cases as in Greece, a country with sovereign debt larger than the country's economy, its capitalist rulers and their henchmen took euro membership to borrow at random, thus leading to tremendous

industrial slump and burdening people with stringent austerity measures to push them to acute poverty and severe unemployment.

But even such political-economic suppression of people's voice does not help the capitalists get over the crisis. So they use the other prong. They try to 'divide and disunite' people without allowing them to stand united against the system; poison them with all kinds of divisive ideas and traits so that instead of identifying their real common enemy in the capitalist-imperialist order, people are pitted against each other. The capitalists of this decadent age dig out the graves their predecessors once made and bring out from those obscurantism, bigotry, internecine hatred, religious fundamentalism and all such others, which they had once rejected, to use now to vitiate people with. With all these, they let the people be involved in fights of people versus people. Regional bourgeoisie of different countries sneak into the scenes, and taking advantage of the acute recession and crisis-ridden economic situation and resulting people's plight and resentment, fan up divisiveness, separatism even secessionism among people with a view to fulfilling their economic-political interests and aspirations for power. In addition to instances referred to earlier, it may be added that number of nationalities, once integrated into mighty socialist state of the USSR, are now shattered into so many smaller capitalist states being ruled by the respective regional bourgeoisie, each with crisis mounting heavily in them. It may also be added that in the post second world war situation, the capitalists-imperialists of European countries formed the European Common Market and later the European Union as an attempt to form a sort of unified Europe, with a view to minimizing competition-contradiction among themselves and acquiring bargaining power against the upcoming US imperialists. The attempt is failing, as it had to, as the capitalists of several constituent members have started to think of getting out of the EU; the British imperialists have already given effect to it through Brexit.

In addition to these, wherever they find chance, capitalist-imperialist rulers ignite local or

regional wars on this or that plea, promote war- psychosis to drag people into those wars, continue those wars for years by providing arms-ammunitions-finance, ravage the target countries, throw out thousands of hapless people of all ages into futureless destitution to wander over the globe as immigrants. And then in some European country the rulers pose saviours to the immigrants to make use of them as cheap labour slicing down the cost of production at this hour of acute recession and market crisis. While in many other European countries, mentioned earlier, forces with right reactionary bent whip up vicious campaign of rabid national jingoism and exclusiveness and sectarian nationality feelings to carry over people of the country, already back-broken because of severe capitalist exploitation, to take rigid arrogant stand against the immigrants.

To sum up, it can only be said that despite all attempts of the capitalist-imperialist rulers, the clueless crisis-ridden capitalist system frantically runs from one post to another, takes one measure after another. In some case, capitalism tries unification, as it fails it promotes disintegration; here it invites immigrants, there it opposes tooth and nail entry of even a single immigrant. On stage it speaks of inclusiveness for democracy, in reality it harps on frenzy of national exclusiveness. Whatever be the measures, the economic crisis of capitalism never recedes. Only people bear its burdensome thrust which is fast assuming alarming proportion.

In this backdrop, people of Europe need to see through this pattern of imperialist design. It only shows the varied manifestation of the ugly face of acute crisis-ridden capitalist-imperialist world. So long as capitalism-imperialism will continue to reign, the crisis and all these accompanying evils will continue to exist. Rather those will take ever-worsening shape. It is only with the overthrow of capitalism from one country and all, that people may get rid of their unending suffering. Toiling people of the world will wait anxiously for their European brethren to join them in that march for overthrowing this system of exploitation and oppression.

India's "spectacular" economic growth that millions of starving, gasping, back-broken Indians need to celebrate

Shri Arun Jaitley, the union finance minister, has also assured the parliament that there is no worry about the country's economy. But the figures published by his ministry do not corroborate his claim. Budget deficit in the first eight months of the current fiscal year shows 12% more than the estimated figure in the budget—Rs 6.12 lakh crore as against Rs 5.8 lakh crores. Revenue deficit is up by 52%. Income Tax revenue is lower by Rs3.3 lakh crores and indirect tax revenue is lower by Rs1.9 lakh crore. So, there is no question of pegging budget

deficit to 3.2% as envisaged. To finance this increasing deficit, the government has announced borrowing of further Rs 50,000 crores from the market, over and above around Rs 70 lakh crore of existing borrowings. Already, Rs 3.09 lakh crore is spent as interest on sum already borrowed (debt servicing). Despite drastic change in the calculation methodology aimed at inflating the figures, GDP is down, GVA (New GDP Series) at 2011-12 prices is down too, Index of Industrial Production (IIP) is dipped and inflation is up.

But, economic downturn notwithstanding, it is merry time for the country's top monopolist. Mukesh Ambani, the industrial tycoon, saw his wealth increase to USD 38 billion (nearly Rs 2.5 lakh crore) from \$22.7 billion last year. Patanjali Ayurved's Acharya Balkrishna, associate of yoga guru Ramdev, made a big jump from 48th place last year to 19th now with a net worth of USD 6.55 billion (about Rs 43,000 crore). The richest newcomer is cookies-and-airline tycoon Nusli Wadia at the 25th place with a net worth of USD 5.6 billion. Among the five other new entrants to the list are Dinesh Nandwana (88, USD 1.72 billion) of e-governance services firm Vakrangee; Vijay Shekhar Sharma (99, USD 1.47 billion) of fast-rising mobile wallet Paytm, Rana Kapoor (100, USD 1.46 billion) of Yes Bank and Future Group's Kishore Biyani (55th with USD 2.75 billion).

produced the report, said, "India is ranked 100th out of 119 countries". 230 million Indians go hungry daily. The country's serious hunger level is driven by high child malnutrition and underlines need for stronger commitment to the social sector, the International Food Policy Research Institute (IFPRI) said in its report. As per last Socio-Economic Census—49% of rural households are poor (below poverty line), 75 % rural household do not have monthly income more than Rs 5000.00, 50% of rural families survive on casual manual labour, 6.68 % families are surviving on begging, 4.08 families survive on rag picking, India has more than 14 million victims of slavery, ranging from prostitution to bonded labour.

With this state of economy, India looks set to leapfrog Britain and France next year to become the world's fifth-largest economy in dollar terms, as per a report by the Centre for Economics and Business Research (Cebr) consultancy's 2018 World Economic League Table. (Source: — (Times of India 27-12-17, Zee News dated 05-10-17, Ananda Bazar Patrika (Bengali daily) dated 30-12-17, scroll.in 06-11-17, The Hindu 12-10-17, 03-07-15)

Demonstration in Delhi against Haryana rape and murder of 6-year old

As part of the growing incidents of crimes and atrocities on women of all ages round the country, another heart-rending case of rape and murder of a tiny 6-year old girl child took place recently at Hissar, Haryana. In protest and demanding stringent punishment of the culprits, various leftist students and women organizations including AIDS0, AIDYO and AIMSS organized a rally in front of the Haryana Bhawan in Delhi on December 8.



Protest by AIDS0, AIDYO and AIMSS in Bangalore on 13 December against brutal torture and murder of a 13 year old girl student

Significant victory of AIDS0 in Jharkhand against ABVP

Trouncing the ABVP, AIDS0 scored significant victory in the colleges affiliated to the Kolhan University, the biggest university of Jharkhand. AIDS0 won the posts of President in Ghatsila College, Vice-President in Jamshedpur Workers' College, and Deputy Secretary as well as Joint Secretary in Graduate College for Women. It has come in the media that the ABVP spent huge money to win these elections. Realizing certain defeat in Jamshedpur Women's College, it ensured that besides 6 of its candidates, nominations of all other 24 candidates were cancelled. AIDS0, incidentally, is the only leftist students' organization in the area. All left-minded teachers, professors and intellectuals congratulated AIDS0 for this significant victory by holding aloft the banner of genuine leftism.

Anti - imperialist Convention in Kerala

An anti-imperialist Convention was organised under the auspices of All India Anti-imperialist Forum (AIAIF) Kerala Chapter on 20th December 2017 at Achutha Menon Hall, Ernakulam. It was presided over by Prof. K.Aravindakshan, Vice President, Kerala Chapter of AIAIF and inaugurated by K.Sridhar, one of the national leaders of AIAIF. Dr.V. Venugopal, Advocate Mathew Velangan, Prof. Vincent Maliekkal, G.S.Padmakumar, K.K.Gopi Nair, A.Sekhar and T.K.Sudhirkumar were the other speakers. A resolution unanimously adopted by the convention condemned the US imperialists' recognition of Jerusalem as the capital of Israel in utter disregard of all international conventions and world opinion. The resolution also strongly protested the Government of India's hesitation to unambiguously condemn this most outrageous act of US imperialists.

A report on the Global Hunger Index that was released on October 12 became one of the most talked-about subjects on social media. The report suggested that India has slipped further in hunger index. The statement by the International Food Policy Research Institute, which

Now former Chief Election Commissioner admits that elections are controlled by money-muscle power

"During my five and half years in the Election Commission of India (ECI), I witnessed the growth of "money power" as a hydra-headed monster. Equally distressing is what I could call 'muscle power'.... Many of these negative forces have already weakened the country's democratic structure so much that I sometimes wonder whether we can ever hope to realise the aspirations of our freedom fighters, who sacrificed so much to gain independence from colonial rule. Sadly, foreign domination has been replaced in some measure by our home grown oligarchy that possesses both 'money power' and 'muscle power'... 'novel' methods developed by parties to bribe voters... ingenious methods have been developed to beat the statutory limits of expenditure which is Rs 70 lakh for the General Election and up to 28 lakh for an Assembly seat... As is common knowledge, politicians across the board spend far above the statutory ceilings making sure that they are not caught in the process... When Crime pays... the combination of "money power" and "muscle power" have become important determinants in winning elections. In both the 15th as well as the present Lok Sabha, almost 30% of the members have one or more criminal case registered against them. What is even more distressing is that half of these are for heinous offences such as murder, attempt to murder, extortion, rape, dacoity and kidnapping. During the course of my meetings with officials, both civil and police, I found that the actual percentage of criminality is higher because I am told that many cases had been hushed up or in some way settled in favour of the local musclemen/politicians. Till the 1980's many mafias would support candidates from outside, with the hope that upon his victory, the candidate would "look after" their interests. It was only a matter of time before they decided that they were better off contesting elections themselves." (Excerpt from the write-up titled "The unholy alliance of Muscle Power and Money Power is weakening Indian democracy" by Shri Navin B Chawla, India's 16th Chief Election Commissioner published in Hindustan Times dated 26-12-17)

AIDSO March to Parliament

On 21 December, students from Delhi, Rajasthan, Haryana, Uttar Pradesh and Madhya Pradesh joined in a big 'March to Parliament' rally organized by AIDSO in demand for immediate re-introduction of pass-fail system from class 1 and also for proper infrastructure, sufficient number of teachers on permanent basis and adequate funds in government schools. The rally was addressed by Comrade Kamal Sain, President AIDSO and other



state and central AIFSO leaders. A four-member delegation submitted a memorandum addressed to the HRD Minister. While strongly criticizing the government's attempt at commercialization and privatization of education, the speakers said that though the government's declaration of its intention to re-introduce pass-fail at classes V and VIII is a partial victory of the long-drawn powerful movement of the education-loving people and students, the movement will be continued and intensified till pass-fail is re-introduced from class 1.

Remembering Kakori Martyrs

AIDSO, AIDYO jointly led a rally from Srinagar to Railway Phatak, Rampura Road Sanganer, Jaipur on 20 December. Activists and volunteers took part in the rally with revolutionary fervor and zeal. The rally was organised to commemorate the Kakori Martyrs and also to learn from the exemplary friendship that had developed between Ram Prasad Bismil and Ashfaqulla Khan, the revered revolutionaries. Also strongly condemned was the brutal killing of a migrant Muslim worker by a Hindutva fanatic at Rajsamand on December 6 on the so called pretext of 'love jihad'.

Protests against US President's declaration of Jerusalem as capital of Israel

As a part of the countrywide protest call given by our Party, SUCI(C) against the atrocious declaration of Jerusalem as the capital of Israel by US President Trump, a demonstration was organised in front of the American Centre, Delhi, on 12 December. Comrade Pran Sharma, Delhi State Secretary, SUCI(C) addressed the rally.

In **Agartala (Tripura)**, a protest meeting was held at Orient Chowmuhie where Arun Bhowmick, Tripura State Secretary, spoke. An effigy of Donald Trump was burnt at the end of the meeting.

In **Hyderabad** too similar protest demonstration was jointly held by ten Leftist Parties including SUCI(C).

All India General Strike of Scheme Workers

Ten central Trade Unions including AIUTUC, have given a call of general strike for one day of scheme workers – ASHA, Mid-day Meal Workers, Anganwadi workers and assistants, etc., on 17 January, 2018.

Comrade Sanat Dutta passes away

Comrade Sanat Dutta, veteran member of the SUCI(C) and former member of West-Bengal State Committee, SUCI(C), former President of AIUTUC, West Bengal State Committee and former Vice-President, All India Committee



of AIUTUC and an eminent leader of the working class breathed his last at Calcutta Heart Clinic and Hospital on 23 December after he had a cerebral attack. He was 90.

The news of his demise left party workers-supporters-sympathizers deeply struck with grief. The red flag was dipped half at all offices of the Party and AIUTUC. At the state offices of AIUTUC and SUCI(C) as well as in the different local offices the red

flag was kept half-mast and the comrades wore black badges. Available Central and State Committee members rushed to the hospital to pay their revolutionary respect to the departed leader. Thereafter, the body was kept in a mortuary and brought to the Party headquarters at 48 Lenin Sarani, Kolkata on 24 December morning. Those who paid floral tribute there were Comrade Provash Ghosh, General Secretary, Comrades Ranjit Dhar and Asit Bhattacharya, both Polit Bureau members, Comrades Soumen Bose, Sankar Saha, Gopal Kundu and Chhaya Mukherjee, all Central Committee members, Sadananda Bagal, veteran State committee member and former North 24 Parganas District Secretary and other state leaders. Thereafter the body of the departed leader was taken to the Party Office of North 24 Parganas district.

While a college student in Burdwan, Comrade Sanat Dutta came in contact with Comrade Shibdas Ghosh Thought through Comrade Prithish Chanda, departed Central Committee member of the Party. He was a gold medalist in the B.Sc. examination. But he ignored the lure of a luxurious life and career to embrace the life of a proletarian revolutionary and joined struggle for building up a correct revolutionary party on the soil inspired by the ideal of 'identifying personal life with party life'. Comrade Sanat Dutta was present in the founding convention of the Party at Jaynagar, West Bengal in 1948.

In 1952, Comrade Sanat Dutta had contested the Assembly Election from Raina constituency in Burdwan. As per Party instructions, he then took up the task of developing Party and trade Union organization among the jute workers at Kamarhati, Agarpara area in North 24 Parganas. When the 'Bengal Jute Mill Workers' Union' was formed in 1955 under the guidance of Comrade Shibdas Ghosh, Comrade Sanat Dutta was assigned the responsibility of functioning as its first General Secretary. At the same time, he shouldered the responsibility of the North 24 Parganas District Secretary for 40 long years. Alongwith just 3 or 4 comrades, he dedicated himself to the task of developing organization in the district. He was a father-figure to all Party and Trade Union activists, inspiring everyone both the party cadres as well as the general workers with his devout pursuit of revolutionary ideology and profound affection. His was a plain living. He managed to eke out a living with whatever little he could earn from private tuition and carried out the task of organizing the oppressed workers particularly the jute workers. Among the jute mills on both the banks of the Ganges where he built up organizations were Agarpara Jute Mill, Kamarhati Jute Mill, Prabartak Jute Mill and Himani Company. He regularly held meetings and discussions with the workers, conducted study classes among them. His sense of punctuality, relentless cultivation of ideology and ability to explain issues and problems with clarity in simplest possible language made those classes lively. In course of such arduous struggle, Comrade Dutta was able to establish himself as a powerful endearing leader of the jute workers' movements. He meticulously studied and realized the problems faced by the jute workers. He also represented the organization in many government committees. Comrade Sanat Dutta was unassuming in nature, avoided any kind of self-publicity and was ever eager to give responsibility to the younger workers and help them to develop. So long as he was physically fit, he discharged important role within the Party and workers' organizations. For the last 7 or 8 years, he was afflicted by various diseases and was confined at home.

On his demise, the Party has lost a revolutionary leader and workers' movement has lost a powerful leader.

Red Salute Comrade Sanat Dutta

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