

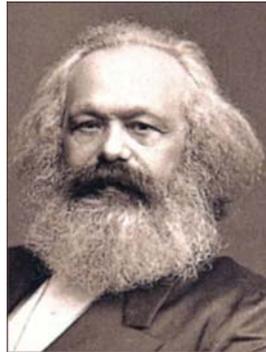
Proletarian Era

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LONG LIVE KARL MARX

“The ideas of the ruling class are in every epoch the ruling ideas, i.e. the class which is the ruling material force of society, is at the same time its ruling intellectual force. The class which has the means of material production at its disposal has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it.”



5 May, 1818 - 14 March, 1883

(The German Ideology)

LONG LIVE J. V. STALIN

“...people do not make history according to the promptings of their imagination as some fancy strikes them. Every new generation encounters definite conditions already existing, ready-made when that generation was born. And great people are worth anything at all only to the extent that they are able correctly to understand these conditions, to understand how to change them.... Thus it is precisely Marx's view that people must not be counterposed to conditions. It is people who make history, but they do so only to the extent that they correctly understand the conditions that they have found ready-made, and only to the extent that they understand how to change those conditions. That, at least, is how we Russian Bolsheviks understand Marx.”



21 Dec, 1879 - 5 March, 1953

(Talk with the German Author Emil Ludwig, December 13, 1931)

NIRAV MODI-PNB SCAM

Unfolds once more how this corrupt capitalist system fosters, aids and abets reckless swindling of public money

Yet another skeleton has tumbled out of the cupboard. This time it is a glaring revelation of how bank money is swindled by the big industrialists and business tycoons by giving rules and regulations a slip. One would recall that way back in 1992, Harshad Mehta, a Mumbai broker, shrewdly used a loophole in the banking system and then manipulatively used bank funds to amass fabulous wealth by way of artificially stimulating speculative stock market. Now it is Nirav Modi, a luxury diamond jewellery merchant who was ranked 57 in the Forbes list of India's billionaires in 2017, Mehul Choksi, his uncle, other relatives and associates, who are owners of four top diamond companies in the country have defrauded Punjab National Bank (PNB), a leading public sector bank, to the tune of Rs 11,300 crores by simply tampering with the system. Informed sources say that the amount could well be over Rs 20,000 crores. And within days, Vikram Kothari, owner of Rotomac Global Pvt., a luxury pen manufacturer, was found to have cheated a consortium of seven banks by siphoning off bank loans to the tune Rs 3,695 crore. Revelation, thereafter, has been that there are more than 9,000 such accounts involving default of Rs 26,000 crores belonging to top 11 debtor groups. While the BJP and the Congress, the two most trusted representatives of the ruling monopolists, are busy trading charges against each other in a ceremonious slugfest to prove who is cleaner than

whom in abetting such mega-crimes holding toiling millions to ransom, those who intend to have a truthful insight into the whole episode from the perspective of safeguarding people's interest need to consider certain facts and aspects in sequence and perspective.

How has this large scale swindling taken place?

One thing is obvious at the outset that even after Harshad Mehta scam a quarter century ago and a slew of incidents of misappropriation of bank funds thereafter, government after government have done precious little in insulating these banks and the taxpayers' money from systematic loot and plunder. In the last five years, there have been as many as 8670 cases of bank fraud involving Rs 61,260 crore. Now, the way the lid has been pulled off the PNB fraud points to the incontrovertible fact that the Indian banking industry continues to be a leaking bucket for the scamsters and fraudsters camouflaged as businessmen or industrialists. In fact, these fraudsters, from Harshad Mehta to Nirav Modi, go on finding newer ways of robbing the banks. The *modus operandi* of Nirav Modi and his accomplices has been crafty tinkering with the Letter of Undertaking (LOU) route. A common mode of transaction in international trade is obtaining bank credit for paying merchants, suppliers etc. For that purpose, businessmen or

business firms seek LOUs from a bank mostly in the home country for raising credit from banks in overseas locations. Under LOU, a bank allows its customer to raise money from another Indian bank's foreign branch in the form of a short term credit. The LOU serves the purpose of a bank guarantee. But to be able to raise the LOU, the businessmen or business firms are supposed to pay margin money to the bank issuing the LOU and accordingly, they are granted a credit limit. But Nirav Modi allegedly procured such LOUs from the Brady Road branch of Punjab National Bank (PNB) in Mumbai in the name of his diamond firms with neither a credit limit nor any margin money. Then based on those LOUs which, conspicuously, did not feature in the records of PNB, Nirav, his close relatives, associates, business partners and firms went on raising loans from overseas branches of India-based banks like Allahabad Bank and Axis Bank. In normal case, the firms of Nirav Modi and his accomplices were supposed to repay the loans with interest. But so far, all these loans have allegedly been rolled over because the loaners pleaded to have no money for repayment. In such a scenario where the borrower fails to make the repayment, the LOU-issuing bank (PNB in this case) is duty-bound to honour the commitments on behalf of its customers. So, PNB has to pay back Allahabad bank, Axis Bank and others the

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NIRAV MODI-PNB SCAM

Banks have become appendage to an utterly corrupt nexus of big industrialists-dubious traders-crooked businessmen-dishonest bureaucracy-avaricious ruling party leaders

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amount of loan availed of by Nirav Gandhi and his accomplices along with all due interest and penalty, if any.

The fraud was unearthed when Nirav Modi's firm requested further LOUs for paying its overseas suppliers. Some of the PNB officials turned down the request on the ground that Nirav's firm need to keep 100% collateral for the same. The Nirav's firm argued that no such money was kept 'on margin' in the past and hence any such stipulation should be waived. To verify that, the concerned bank officials scanned the records only to discover that there was no trace of any such transaction. This implies that the guarantees/ undertakings were issued fraudulently and unauthorisedly bypassing the rules. It is inexplicable how could this fraud not have been detected despite several audits, including internal and concurrent ones, by both PNB's internal audit wing as well as external statutory audit firms. It is also a mystery how it could escape the notice of the regulatory bodies like the RBI as well.

Even if we assume that the LOUs issued to Nirav Modi and his accomplices were forged, then how is that no alarm was raised? Who does not know that such forging is a criminal offence? However, if one has to buy the arguments of the PNB authorities, no one knew about the scam despite so many checkpoints. It is paradoxical that when a gang of fraudsters were robbing the bank in broad daylight, brick by brick, the PNB authorities were being awarded for their excellence in vigilance.

Frauds and scams are aided and abetted by the power that be

Could such large scale fraud over such a long period be possible without connivance of high-ups in various seats of power? Even a school-going child would say, 'no, it could not'. But, the investigating authorities in the country feel otherwise. Earlier also, whenever any such mega scams or financial frauds came to light, not a single person in the top brass was touched. Even if someone, in an exceptional circumstance, was hauled up, he or she was soon exonerated or the charges were neatly hushed up. The

investigating agencies ended their responsibilities by taking some small fries into custody and then boasted to have cracked down on the crime. At best, some customary punitive measures were taken against these scapegoats—just pawns in the ploy—to prove how the 'in the eyes of law, everybody is equal and how law takes its own course to give justice'. It would then be highlighted as 'triumph of democracy'. Why so? Because, the scamsters and fraudsters have been bosom pals of the ruling party. They merely finance the ruling party leaders, look after their comfort, ensure their status and seats of power, build up their coffers of wealth and help them cross the Stygian ferry of election. This fact about the source of colossal funding of the bourgeois parties is known even to a school-going child today. This spectacle is common for the entire capitalist world.

In the instant case also, the BJP-led central government and the top bureaucracy pretend to have become wiser after the event. As usual, the CBI has found some scapegoats in the PNB while the real culprits are shielded and protected by the corrupt capitalist rulers. Here lies the eyewash. Most importantly, the governments, the ministers including the Prime Ministers, irrespective of whether they belonged to the Congress or the BJP plead themselves to be 'rank innocents' unaware of such large scale theft, robbery, pilferage, embezzlement of public money, corruption, and bending of rules continuing under their noses, unbridled and relentlessly. We had seen this in all past cases. We find an exact re-enactment of the past in the present case also.

Pretence of 'rank innocence' by the BJP and its government

Is it that BJP and its government had no inkling of the crime? First of all, it is showing inexplicable amnesty to the wilful defaulters of bank loans in various ways. Wilful default means loan amount has been diverted for purposes other than the specific purpose of finance or simply siphoned off or assets provided as collateral for securing loan has been disposed of. Bad loans or NPAs have crossed Rs 11 lakh crores. Two-third of impaired loans relates to just 24 big companies owned by

the top monopolists of the country. And wilful defaults, as per official admission, have quadrupled during the BJP rule. But, when the annual budget for 2018-19 was placed in the parliament, neither did the Finance Minister nor the Prime Minister, busy as they were in self-eulogy over spurious claims of development, utter a word about this menacing rise in bad debts. Instead, the Finance Minister spoke of the necessity of recapitalizing the ailing banks, meaning compensating them for the loss by drawing into public exchequer. Does he mean to say that neither he nor his Prime Minister has any knowledge of such wilful defaults as also advancing renewed favours to the defaulters? Would anybody having least of intelligence endorse such "rank innocence" of theirs?

Secondly, both the Prime Minister and the Finance Minister had observed code of silence for the first few days of revelation of Nirav Modi scam as if nothing had happened. But afterwards, sensing public mood, they fielded other cabinet ministers for damage control by arguing that the scam started in 2011 when the Congress was in power. As if that would allow them going unscathed. But as details show, all the 293 LOUs under the scanner have been issued in the past two years. Most important is the fact that as per media report, the government, including the Prime Minister's Office, was repeatedly alerted about the ongoing fraud. In the first instance, a complaint was submitted on 7 May 2015 to the Ministry of Corporate Affairs by one Vaibhav Khuraniya & R.M. Green Solution Private Limited. A copy was also sent to the Prime Minister's Office, Enforcement Directorate, and Serious Fraud Investigation Office. But no action was taken. Another person named Digvijaysing Jadeja filed an FIR in the Ahmedabad Economic Offences Wing in Gujarat against Mehul Choksi and others for defrauding him. Jadeja also filed an affidavit on 20 July 2016 pointing out that Choksi and others owed Rs 9,872 crore to banks, and were likely to escape from India. But no case was registered. In a third instance, Hari Prasad, a Bangalore-based entrepreneur had written a complaint letter indicating the subject to be "Complaint lodged at

PMO and CIC against Gitanjali Gems Ltd and its MD Mehul C. Choksi". It stated: "We wish to bring to the government's notice, a major financial scam, similar to that of Vijay Mallya, Subrata Roy of Sahara group or Ramalingaraju of Satyam group... This scam and fraud has been done by the person based in Mumbai involving loss of Rs 1,000 crore of Indian public money." It accused Gitanjali Gems and Choksi of siphoning off thousands of crores through subsidiary companies floated in India, and fictitious companies abroad. The complainant also enclosed copies of complaints by franchisee victims against Mehul Choksi and various firms linked to him. However, no action was taken. In 2015, the Directorate of Revenue Intelligence (DRI) raided Mehul's diamond jewellery designing unit in Sachin SEZ of Gujarat. The raid revealed that Nirav Modi group had illegally diverted Rs 1,216 crore of diamonds meant for export from the SEZ to the domestic market for sale. By way of this round-tripping of diamonds to misusing benefits from government schemes, the firm of Nirav Modi allegedly cheated the government of Rs 900 crore. But, a fine of just Rs 37 crore was slapped on Nirav Modi. On the other hand, Nirav Modi was part of the delegation of Indian businessmen and corporate leaders at the World Economic Forum in Davos last month. He features in a group photo with Prime Minister Narendra Modi there. He was also part of the 2016 delegation to Davos led by Finance Minister Arun Jaitley. Not only that. Many affected persons lodged a complaint in 2015 that Mehul Choksi had cheated them by alluring them to invest in a kind of cheat fund operated by him. But the Gujarat police refused to have any FIR registered against him. Mehul had also received a wide publicity in the so called "Vibrant Gujarat" campaign of Narendra Modi. Many prominent BJP leaders and their relatives are reported to have participated in the publicity of Mehul's firm 'Gitanjali'. Mehul Choksi was even invited to a programme at the Prime Minister's Office in November 2015, where Narendra Modi is reported to have addressed him in the customary Gujarati style – "Mehulbhai" praising him for his remarkable

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UNION BUDGET 2018

More a vote-oriented exercise than a policy statement on economics

Budget, as we know, is a fiscal tool to address the economic problems the people of the country face and intend to be resolved, at least mitigated. The people of India have been gasping with back-breaking problems of spiralling prices, mounting unemployment, spurt in job loss, progressively falling income, increasing burden of rising taxes particularly indirect taxes, lowering of interest from banks and national savings. As a fallout of all, misery and penury of the toiling millions are growing by leaps and bounds. People normally look forward to the budget to see how the government intends to tackle these issues to give them some relief from this ongoing torture and torment. But belying that legitimate expectation, the annual budgets for the last several years, irrespective of which bourgeois party is in power, have been turning more and more into a veritable farce. Budget documents abound in suppression and distortion of facts, overload of hollow promises and illusory expectations and yet shrewdly projected as pro-people, pro-poor though the underlying objective has been to brazenly cater to the class need of the ruthlessly oppressive ruling monopolists. And in course of this transition, the BJP-led central government has turned the budget of 2018-19 into a campaign document of the ruling party for winning coming elections. It has been so blunt and glaring that even a BJP minister could not but sarcastically comment: "Arun Jaitley announced everything in his budget speech except the date of the next election. Maybe, he forgot to read the relevant paragraph." What was significantly noticed was that just after the FM's budget speech, PM Narendra Modi delivered a 25 minute speech in media glare to outline the benefits and the vision of the budget—an exercise that looked like the sounding of the poll bugle. "This budget strengthens the foundation stone of 'New India' with a focus on agriculture to infrastructure. It covers aspects such as health plans for the poor and middle class and it has plans to increase wealth of small entrepreneurs", Modi said. Is the reality so? Let us proceed to see.

So called focus on agriculture and doubling farmers' income by 2022

The thrust of the areas highlighted in the budget are agriculture, healthcare and 'ease of living'. We first take up agriculture since both the Finance Minister (FM) and the Prime Minister have claimed that the budget is pro-farmer. First of all, the budget talks of increasing the minimum support price (MSP) of crops by 50 per cent over the cost of production. This declaration has been highlighted as implementation of the 2006 Swaminathan Commission Report on agriculture. There is a twist, if not distortion, in it.

The Swaminathan Commission suggested fixing of the MSP for crops "at least 50 per cent more than the weighted average cost of production". There are two cost measures for agriculture. The first one (A2+FL in technical term) consists of all expenses paid by the peasants in cash and kind, like the expenses on different heads like seeds, fertiliser, hired labour, fuel, irrigation, insecticides, and above all, an

imputed value of the unpaid labour of the family members that went into the farming process. The second one (C2) is the comprehensive cost measure, which includes A2+FL and also includes imputed value of land rentals, interests over working and fixed capital, etc. The budget announcement is for increasing the MSP by 50 per cent using the A2+FL as the base leaving out the other component of C2. Here lies the catch. The MSP is already higher by 40 per cent on the A2+FL cost and therefore, the new hike will be a meagre 10 per cent hike on the present MSP. Moreover, this declared increase is on unannounced crops and as pointed out by Dr Swaminathan himself in a media interview, the government has actually left out the vast majority of farmers who cultivate the announced crops like paddy, millets, etc. When the FM announces the fulfilment of the BJP poll manifesto promise of granting an increase in minimum support price (MSP) for farmers at cost plus 50% in respect of *rabi* crops, he misleads the country. It has been between 3% to 38% and not 50%.

Next comes the all-important issue of toning up the procurement mechanism. As anyone familiar with rural economy knows that notwithstanding all tall talks and high sounding phrases of e-marketing, price availability online and gearing up the Agricultural Produce Marketing Committees (APMCs) etc., procurement of crops from the peasants continue to be dominated, if not controlled, by an unholy nexus of big MNCs—corrupt administration-middlemen—ruling party leaders—panchayat touts. This nexus manipulate things in such a way that the peasants are compelled to distress sale. Next is that the peasants pay escalating retail prices for inputs but are denied remunerative prices for crops. Beset by that, the poor peasants default loans. Unable to bear with the ignominy of default and bite of hunger, many of them have been committing suicides. In the last three years of the BJP rule, peasants' suicide has reportedly increased by 26%. The much-trumpeted Fasal Bima (Crop Insurance) which leaves maximum peasants ineligible for claim has proved to be a cruel hoax. Neither the budget nor the Prime Minister in course of his sickening self-eulogy addresses any of these problems. On the other hand, a section of the cheerleader economists and market analysts shamelessly claim that this announcement of a higher MSP for farmers would boost farm produce leaving more money in the hands of farmers, which in turn would lead to higher rural consumption and trigger spike in rural demand. Incredible indeed!

Equally incredible is the claim of doubling farmers' income by 2022 in this budget as well given the above-mentioned factors as well as some other aspects. A survey shows that in 2015-16, the majority of the farmer households earned something around Rs. 1,600 a month. The Economic Survey has also revealed stagnant agricultural growth over the past four years and projected a fall of 25% in agricultural output within a few years because of climate change. If that be so, then the question is what is the concrete plan to overcome the problems caused

by natural calamities? If the government can send satellites after satellites to the orbit, boast of manufacturing latest sophisticated missiles and other military hardware including nuclear weapons, then is it to be believed that scientific development of the country is so poor that it is incapable of tackling the issues of storing flood water and release the stored water during drought through proper irrigation system? The Economic Survey 2017 has further pointed out that the average GVA (Gross Value Added—a new measure that gives the figure of output minus intermediate consumption) in agriculture of the last four years had been merely 1.9 per cent. For doubling farmers' income by 2022, GVA growth rate should be at least 12 per cent per annum. What a novel promise attuned to reality!

Budget 2018 claims that a massive spending of Rs 14.34 lakh crore has been decided on rural infrastructure like construction of roads, new houses, toilets, and providing new electricity connections. But, the bulk of this expenditure would be from non-budgetary resources. It is not clear what these non-budgetary resources are. Given the pretended emphasis on the rural economy, the task of the government was to alleviate immediate stress of the toiling rural poor and increase public investment in rural infrastructure. However, the budget for the Ministry of Rural Development gets a mere 4% increase in allocation. In fact, the actual allocation to the agriculture sector is merely 2.36 per cent of the budget, lower than even that of last budget! The expenditure on agriculture and rural development, as percentage of GDP, is also reduced from 1.5 per cent to 1.08 per cent. Moreover, boasting of increasing the volume of institutional credit for agriculture sector from year-to-year taking it to Rs11 lakh crore for the year 2018-19 is another deception. This is just a mandate to the banks and other financing institutions and not a budgetary subject. The budget promises to give loan to the fisheries sector and animal husbandry. But there is no budget allocation for that. Financial institutions like NABARD would raise funds from the market and then give this loan. Yet, this has been a part of budget announcement.

Secondly, institutional credit hardly reaches the poor small peasants but gets largely cornered by the big peasants and the rural bourgeoisie. The term 'farmer' which the government uses with so much of customary passion includes these rich peasants and rural kulaks as well. So, "farmers' interest" *per se* does not mean the interest of the poor and marginal peasants. Affluence and aggrandizement of the rural kulaks, big agro-firms owned by the bourgeoisie and MNCs can also, therefore, be passed as rising income of the farmers. How much the government is concerned about the rural poor is revealed from unchanged allocation of Rs 55,000 crores under MNREGA. But, if one considers pending payment of Rs 4,800 crores to the state governments for 2017-18, the allocation is lower. And yet we are to believe that the Prime Minister's claim of having unveiled a pro-peasant budget is not mere

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UNION BUDGET 2018

Anti-peasant policies projected as thrust on agriculture

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rhetoric, no palpable parade on vending false dreams!

The budget also says that “in order to encourage professionalism in post-harvest value addition in agriculture”, hundred per cent tax deduction in respect of profit derived for a period of five years from financial year 2018-19 is granted to the ‘Farmer Producer Companies’. This move is also questionable. These companies though projected as a hybrid between cooperative societies and private limited companies in fact, are entities under private ownership and controlled by the moneyed and landed gentry. There are reports of covert entry of even MNCs in these companies. Such a tax bonanza would, therefore, carry coal to Newcastle while the poor and marginal peasants, the sharecroppers would reap no benefit of that. Let it be very clear that even a co-operative in capitalist set up is principally guided by the laws of capitalism and hence in dying capitalism can in no way be conducive to the interest of the poor peasantry.

Hoax of introducing “World’s largest healthcare programme”

The FM’s speech mentions two main interventions – health and wellness centres that “will bring healthcare system closer to the homes of people” and “a flagship National Health Protection Scheme (NHPS) to cover over ten crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage up to five lakh rupees per family per year for secondary and tertiary care hospitalisation”. The FM boasted that “this will be the world’s largest government-funded healthcare programme.” Since then, this line has been very emphatically articulated and repeated by the Prime Minister and the television channels. But is what is claimed true or would it in any way mitigate even a bit of the perilous healthcare situation in the country?

The scheme in fact is an insurance policy that is stated to be providing a cover of up to Rs 5 lakh for 10 crore families per year for secondary (district hospitals and community health centres) and tertiary cares (like admission in a super-speciality hospital). In fact, the scheme was announced in the 2016 Budget itself, the only difference being the raising of cover from Rs 1.5 lakhs to Rs 5 lakhs. But, the scheme has not been operationalized in the last two years

for reasons not disclosed by the FM. Health insurance schemes, incidentally, are not new to India. Rashtriya Swasthya Bima Yojana (RSBY) of the central government and the state government schemes have been running for years. But, evidence received so far indicates that hardly have the promised benefits been delivered even partially to the countrymen. RSBY is for in-patients. But the Primary Health Centres enrolled in RSBY have no facility for admitting the patients. Moreover, not even 50% of the funds under the other existing health cover schemes have been spent in the past year.

A number of studies and National Sample Surveys show that existing government health insurance schemes are failing to provide financial protection. It is no secret that our primary health system is in a shambles and critical issues of doctor absenteeism, poor infrastructure and lack of doctors, nurses, equipment, medicines and even water supply and electricity remain unaddressed. According to the statistics released by the Health Ministry, only 11% of the Primary Health Centres met the Indian Public Health Standards as on March 31, 2017. One can safely assume that for a sub-centre to become a health and wellness centre, the least that could be expected is that these basic facilities and human resources are provided. Any attempt at improving tertiary healthcare will only be successful if its foundation — primary health care is strong. But, the budget does not address any of these issues nor allots any funds for that. It only talks of setting hospitals like AIIMS. Secondly, the government has been systematically handing over healthcare and pharma sector to the private operators who run them on commercial basis by squeezing the people. Whenever this government had promised healthcare improvement, it has talked of the delivery through the private sector and not by strengthening the public health system. In such a situation, can simple announcement of a health insurance scheme have any meaning? Experiences from across the world, our country included, show that depending upon the private sector to deliver healthcare for all – based on health insurance to take care of the burden of out of pocket health expenditure – escalates overall healthcare costs, excludes many and distorts practices of ethical and appropriate care. Note must also be taken about

the widespread reports of reckless profiteering by private hospitals in India with such increase in irrational, unnecessary and even non-provided care and medicine. With little being done to erect a robust public health infrastructure that could make healthcare available regardless of one’s ability to pay, highly-priced sophisticated medical interventions mostly by private sector have been the main feature of the Indian healthcare scenario. Hence, it is believed by the countrymen and rightly so that healthcare is for the rich and affluent and not the general masses who are destined to die without any proper medical attention in a country that boasts of being biggest democracy.

Those who might have been swayed by the budget speech of 2018-19 hailing the concept of health protection would only be flabbergasted when they come across a set of dismaying figures. First of all, the revised budgetary estimate for healthcare in 2017-2018 was Rs 53,198 crores and the budgetary allocation for the current year is Rs 54,667 crores. It means, it is virtually at the same level. The health budget by any reasonable estimate ought to be at least 2.5 to 3% of GDP. As against that, health budget continues to languish at 1%-1.2% only. The budget also announces a combined ‘health and education cess’ of 4% estimated to bring in an additional revenue of Rs 11,000 crore. Even if one expects 25% of this additional amount to come to the health sector, one would have seen an increase of Rs 2,750 crore in the health budget. Rather, the increase has been of only Rs 1,250 crore. But, if we combine central allocation for health, water and sanitation in this budget, it has actually decreased by 0.5% from Rs 77,305 crore to Rs 77,024 crore. That’s because though health budget has marginally gone up by 2.8%, allocation towards water and sanitation has come down. This is another deceit neatly camouflaged.

Similarly, promise of an insurance cover of up to Rs 5 lakh for 10 crore families per year under the proposed NHPS apparently sounds impressive until one realises that the Budget does not indicate how this scheme is to be financed. The average premium paid in state-run health schemes is around Rs 3,000 per household. This would mean an outlay of minimum Rs 30,000 crores, if not more, for NHPS. But the budget outlay for the scheme is just about Rs 2,000 crore. Here lies the enigma. Already

it has been seen that the much-clamoured Fasal Bima (Crop insurance) proved to be a bonanza for the insurance companies particularly the private insurers who have allegedly siphoned out 97 % of the premium income amount while claim payment ratio dipping to just 6.61%. Large scale corruption has also been reported in settlement of claims from various parts of the country. Those having experience regarding operation of individual hospitalization covers like Mediclaim provided by the insurance companies know how the private sector hospitals manipulatively inflate the bills for such policyholders. Would it then be wrong to conclude that the very tilt towards insurance instead of strengthening availability of public health system allows the government to get away with low allocations for health and, on the other and at the same time provides more opportunities for the insurance companies as well as the private sector hospitals to make huge money from the exchequer out of poor people’s illness?

Education

In keeping with the ongoing scheme of increasing privatization and commercialization of education, government goes on lowering budget allocation in this sector. Central expenditure on education has fallen from 0.49 per cent of the GDP to 0.45 per cent. As we have stated above, a combined ‘health and education’ cess of 4% has replaced the existing 3% of education cess. If the division of the cess revenue is 50: 50, education sector would now receive less (2% against 3%). Secondly, no one knows how and where the education cess collections have been spent by the government. To bluff the people, it is being propagated that the HRD ministry has been allocated Rs 85,010 crore as against Rs 81,869 crores of last year. So, there is an increase of 3.69%. However, if 1% shortfall in cess revenue is deducted, then the increase would be a negligible 0.46%. As a percentage to total budget spending, share of education budget has come down from 3.69% to 3.48% while the long-standing demand of the education-loving people has been for augmenting it to 10%. Budgetary grants to UGC and other educational areas have also been slashed drastically. Significantly, Economic Survey presented before budget said that the government

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UNION BUDGET 2018

Raising insurance cover without caring for improving basic healthcare delivery is a cruel joke

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does not have much fiscal space to spend big on social sectors, including education. So the cat is out of the bag.

The budget proposes to treat education holistically without segmentation from pre-nursery to high school. This means that there could be eventual merger of several school schemes like *Sarva Shiksha Aviyan* (SSA) and *Rashtriya Madhyamik Shiksha Aviyan* (RMSA) thereby firming up centralized control over school education subverting academic autonomy further. The budget has no mention as to how to arrest continuous fall in standard of government and government-aided schools squarely attributable to a slew of anti-education policies and pathetic absence of rudimentary infrastructure including number of qualified teachers. It only shows that the government encourages proliferation of private schools that arbitrarily raise fees to take advantage of the growing rush of students seeking to receive relatively better education. Obvious discrimination against students based on the quality as well as affordability of education is also thereby abetted. The budget announcement of advancing 10 year repayable loans to the few centrally funded higher education institutions for infrastructure development through a restructured Higher Education Financing Agency (HEFA), a non-banking financial company, would only entail further rise in cost for higher education making it yet more skewed in favour of a miniscule section of students from affluent households. What a novel way of curtailing higher education!

Another aspect is mid-day meal for the poor school going children.

There has not been any increase in budgetary allocation for this though inflation is spiralling. A calculation shows that average cost for midday meal per child is just Rs 4.13. Law stipulates that the children should be given egg at least twice a week besides vegetable protein as staple diet. But, it is unknown how the economics would work out for the prescribed menu with this absurd budget allocation. This is how the government cares for the poor children.

Unemployment and job loss

The Indian President said a couple of years back that more than half of the Indians are unemployed. The fifth survey of the state of employment in the country showed that joblessness has hit a five-year high. The extent of unemployment can be guessed from a recent report. 992 PhD holders, 23,000 M Phil holders, 2.5 lakh post-graduates and eight lakh graduates were among the nearly 20 lakh applicants for the examination conducted by Tamil Nadu Public Service Commission to fill 9,500 posts of typists. Earlier, 23 lakh applications including many from doctorates and post-graduates were reported to have been received for just 368 peons' posts in UP. The BJP during its electoral campaign promised 3 crore jobs per year. But the fact is not even 3 lakh jobs have been created. If job losses are taken into account, the net employment would turn negative. Fact is that hardly any new vacancies are created. Vacancies arising out of retirement are being abolished. There are 2,20,000 posts including 1,41,000 safety category posts lying vacant in the Railways. But there is no initiative to fill up the vacancies. Acknowledging failure in job creation, the BJP leaders openly say

shamelessly that it is not possible to provide jobs to all. Echoing the same argument, the Prime Minister also virtually derided the unemployed youth by saying that they should be "job creators and not job seekers". We know that decadent moribund capitalist system cannot generate jobs today. Still, a government can, if it so desires, create some jobs by making productive investment under its aegis. But the BJP government would never move that way since that is not the mandate from its mentors, the ruling monopolists. Rather, it is entirely left to the private sector. The business of the union budget, therefore, is to hide the problem of unemployment in a superficial way and then make spurious claim that "creating job opportunities and facilitating generation of employment has been at the core of policy-making and the measures taken in this regard have started showing results".

It is noteworthy to see how the pro-capitalist measures are cunningly passed as initiatives towards job creation. The budget says that additional deduction of 30% granted under Income Tax Act to employers in select sectors on emoluments paid to new employees would be relaxed from 240 days of employment to 150 days in the first year of appointment and extended to footwear and leather industry provided salary is less than Rs 25,000 pm. The FM argues that this would encourage the employers to recruit more. This is a superb argument! For getting some meagre tax benefits, employers would add number to his employees even if there is shrinkage of demand (inevitable in capitalism) in the market and developed technology is available to substitute manual work. Further, with the budget proposing to reduce women employees' contribution to Provident Fund from 12% to 8% for first three years of their employment, the FM feels that employment of more women in the formal sector would be incentivized. Perhaps, the FM needed a face saving as the Economic Survey 2017-18 stated that there has been a drastic decrease in women's employment in the last few years. Then, there have been customary throwaway remarks that more jobs would be created because of so much allocation being made to infrastructural development. But, what kind of jobs? Would there be any permanent gainful engagement

or extremely casual and contractual jobs at a less than subsistence-level wage? Is that called employment or deluding the starving downtrodden? Moreover, in all infrastructure development, highly sophisticated machines are substituting manual jobs squeezing even opportunity for casual jobs substantially. While presenting budget for 2015-16, the FM had said that to enhance the employability of rural youth, he was bringing a new scheme and earmarked only Rs. 1,500 crore for the purpose. But in the three succeeding budgets, he gave no clue as to what this scheme was all about. The Prime Minister in a Television interview on 22 January last said that "In one year, EPF (Employment Provident Fund) accounts of 70 lakh youth between the ages of 18 and 25 have been opened. Doesn't this show new employment?" Now the FM in his budget says that 70 lakh formal jobs will be created this year. But he does not spell out where and how. These are hoaxes to confuse and misguide the people and the millions of unemployed. Do EPF data reflect the job losses or record how many of jobs have been formalised from previous informal-sector jobs? Moreover, EPF data is not in public domain. So its veracity cannot be ascertained. Let the government make the details available with people. On the contrary, most of the surveys report huge job losses starting from textile, banking, information technology, to start-ups. Over and above, massive jobs have been lost consequent on demonetization and introduction of GST. However, the FM felt no necessity to deal with this aspect in his budget. Rather, the roadmap is laid for more and more contractualization and casualization of jobs, at least of wages through introduction of 'wage code' and so called labour reform.

Taxation, MSME-friendliness and fuel price

The FM has not given any tax relief to the individual investors. But he has announced slashing the tax rates from 30 to 25% for Small, Micro and Medium Enterprises (MSMEs) with a turnover of upto 250 crores. Apparently, it would seem that he has tried to soothe the frayed temper of the MSMEs who have been worst hit by demonetization and GST. But it is not that simple or

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Chandra Shekhar Azad remembered

AIDYO Jhunjhunu unit remembered and paid their tribute to great revolutionary leader Chandra Shekhar Azad on 27th February evening at Azad Colony Pilani. The public at large including children and ladies paid their homage to great freedom fighter, Chandra Shekhar Azad. Comrade Fani Mani, office secretary AIDYO Rajasthan, addressed the enthusiastic gathering. Comrade Vishnu Verma, AIDYO Jhunjhunu district in-charge, coordinated the event. Comrade Shankar Dahiya, Jhunjhunu party in charge, was also actively involved in the decoration work. Deepak Dahiya helped in coordinating drawing competition among students. Beside them, Rahul Sharma, Vishal, Rocky, Prashant, Vaishali Saini also took a keen interest in the event.

AIDYO activist members of Jaipur unit Comrades Pradeep Sharma and Arun Singh organised a meeting at Luniyawas Bus stand. Comrade Pradeep Sharma addressed the gathering. People at the nearby bus stand paid their tribute to the respected revolutionary leader.

UNION BUDGET 2018

Boosting privatization and commercialization of education and subversion of academic autonomy trumpeted as improvement of quality of education

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liberal. In fact, those with a turnover upto Rs 50 crores i.e. the category of small and micro firms will have to shell out more in taxes (29.12% as against present 28.84%), while firms with revenue of more than Rs 50 crore upto Rs 250 crore will pay less (29.12% in place of 34.61%). So, there could be a tendency on the part of many big companies to split business into smaller units and then control those units through a holding company. Secondly, the kitty of indirect tax which is paid by all countrymen in the form of load on the end-prices of all items is going up after imposition of GST. GST is supposed to remove the cascading impact of indirect taxes through input credit mechanism and hence reduce the final indirect taxes borne by the consumers. But the budget 2018-19 does not show any such impact. The tax/GDP incidence is expected to rise from 11.2% in 2016-17 to 11.4% in 2017-18 and to 12.1% in 2018-19. In fact, the manufacturers are availing the input tax benefits but are not passing that on to the consumers. Moreover, over the years, service tax network has been infinitely widened (from 3 services to all but a few) and has come to bite the poor and middle-class Indians more deeply. The government has no concern for that but takes pride in rise in tax collection which is mostly recovered from the common toiling pauperized masses while the top monopolists, corporate behemoths, rich and affluent are reaping benefits of waivers, concessions, evasions, manipulations, window dressing and so forth.

There is another anomaly. The budget says that the year 2016-17 ended with a growth of 12.6% in direct taxes and in the current year, the growth in direct taxes up to 15th January, 2018 is 18.7%. This current year's estimate is provisional since the year is yet to be over. It also came in the media that the government ordered the Tax authorities to hold back the refunds till budget date so that the collection figure could look healthy. But when compared to years 2012-13 and 2013-14, the rate of 12.6% is lower. The tall claim of demonetization resulting in a leapfrog jump in the number of taxpayers and an overall broadening of the tax base is quite perplexing, if not falsified. What the FM leaves out is that the first two financial years of the BJP

government actually saw dramatic shrinkage in direct tax growth, around 7%-8% mostly due to large scale reliefs and concessions granted to the big industries and corporates and large scale tax defaults by the rich and affluent. We had shown in our budget analysis for 2017-18 that if we take into account revenue foregone in the case of corporate tax, Special Economic Zones (SEZ) not taken off, deduction of export profits of units located in SEZs, deduction of profits of undertakings engaged in generation, transmission and distribution of power as well as deduction of profits of industrial undertakings derived from production of mineral oil and natural gas and non-recovery of direct tax, the figure of tax loss would be a whopping Rs 9,38,827 lakh crores (Rs 9.38 trillion). A similar calculation for the current year would show the figure to be still higher. May be for that, many relevant numbers have been craftily manipulated or suppressed in the form of statistical jugglery.

Another aspect needs to be brought to the notice. The government while decontrolling retail fuel prices said that it would be linked to the international crude oil prices and would dip or rise in tandem with international crude price fluctuation. But when international crude oil price had plummeted below \$30 a barrel, the BJP government reaped an oil bonanza by increasing central excise duty on diesel by more than 380%, and on petrol by more than 120% over the last three years. No benefit of falling crude price was passed on to the people. This time, to hoodwink people, the government has reduced basic excise duty on petrol-diesel by Rs 2 and cut additional excise duty on the fuels by Rs 6. But, simultaneously, a new record cess of Rs 8 per litre has been imposed to offset the shortfall. What a trickery! The Prime Minister often brags that free gas connections have been provided to 5 crore odd poor households. But what he does not disclose is that the LPG cylinder, the price of which is jumping with every passing day, is not available free to any of these households. In a country where 77% of the population do not earn even Rs 20 per day, is it possible for them to bear such high cost of LPG? But, citing this free connection of LPG, subsidy on kerosene has been

reduced by almost half to Rs 4,555 crore and ration quota of kerosene has also been slashed.

Unproductive defence budget

While productive investment in core sector for creating permanent remunerative jobs and rejigging economy has been scrupulously avoided by the government ignoring people's demand, unproductive defence budget continues to soar beyond the sky. This time it is augmented by 7.81% over last year's allocation and fixed at Rs 2,95,511 crore which is as high as 12.10% of the central expenditure. Even after that, there is cry for more increase. What a logic! The common people of the country would die out of starvation, lead a sub-human life and beg for relief while the bulk of tax revenue is spent on manufacturing of destructive arms. Echoing the government's policy of increased involvement of private sector including foreign monopolists in arms manufacturing, the FM has declared that 'Government will bring out an industry-friendly defence production policy to promote domestic arms production by public and private sectors as well as MSMEs'. It means that apart from opening crucial defence sector even to foreign capital, the government would also place orders for arms, arms equipments and raw materials for arms production like steel to the private operators allowing them to swell their coffers with public money collected as tax. Moreover, there is large scale corruption in arms procurement involving corrupt dealers, high level military officers, ministers and ruling party leaders. Scams involving purchase of Bofors guns soldiers' coffins and Rafale jets are already known to people. Who knows how many more are under the carpet.

In the present decaying stage of capitalism, militarization of economy has been a general feature of all capitalist-imperialist countries to artificially stimulate demand of some basic industries. Now, it is also a convenient route to channelize public fund to private arms manufacturers. To cunningly justify this colossal defence spending, the imperialist-capitalist leaders and their servitor governments and parties are creating as well as sustaining a war psychosis and inciting national

jingoism. Ruling Indian monopolists with the help of their subservient ruling parties are also pursuing the same policy and thriving on the hunger and destitution of the millions.

Reducing budget and increasing privatization for the Railways

From last year, railway budget has been merged with general budget on the plea that such clubbing with the budgets of other modes of transport like road, waterways and aviation would facilitate better management of resources under the common head of 'infrastructure spending'. It was clear that in tandem with increased privatization of road transportation, aviation and shipping, the move was afoot to gradually privatize the entire railway service considered to be the artery of travel and transport network under the aegis of the government with a huge establishment providing substantial job and operating mainly on the principle of public welfare. Earlier, there was an obligation on the part of the government to place before Parliament some details of operation of the railways, the surfacing problems and measures contemplated to tackle those while presenting separate railway budget. Even revision of passenger and freight charges needed approval of the parliament. Now, all such obligations and stipulations have gone. In the entire budget speech, hardly 5 minutes were devoted to the railways. Last year, a separate independent railway regulator called Rail Development Authority (RDA) was constituted to determine tariffs and significantly enough, modify and suggest investment requirements as well as policies for private investment. RDA has already raised railway fares and tariffs several times out of the budget neglecting wholly and solely the all-important issues of ensuring true passenger safety, passenger amenities and punctuality. On the other hand, the government budget for railways has been cut down from Rs 55,000 crore to Rs 40,000 crore in the current budget. The Indian Railways' capital expenditure for the year 2018-19 would be Rs. 1,46,500 crore. Out of this, just Rs. 53,060 crore will come from budgetary support by the

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UNION BUDGET 2018

Mockery of tackling unemployment with creation of few low wage casual jobs and extending fringe benefits to employers

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government. The rest is supposed to come through internal resources and Extra Budgetary Resources (EBR) details of which are not given. It is also alleged that the FM made incorrect statements on the floor of Parliament in regard to doubling of tracks and gauge conversions. Abject neglect of critical issues like safety in journey for which track renewals and installing proper security measures are necessary, is glaringly manifest in progressive reduction of budget allocations and avoiding filling up of substantial number of vacant posts of safety personnel.

The process of privatization is already on in full swing. The RDA is stated to be permitting "fair access" to the private operators. It is also reported that the railway ministry is working on a scheme to set up rail lines for running passenger and goods trains by private players. "We need more and more private participation in the safety and passenger amenity sector", said the union railway minister in a post-budget interview. It is clear that the government and the ministers have taken upon themselves the 'august' duty of being spokespersons for the private houses.

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A word on fiscal and revenue deficits

First of all, the overall resource situation at the time of presentation of the budget was more uncertain than in the past. Statistics are available only up to November 2017. These indicate that overall revenue receipts at this time were only 53 per cent of Budget Estimate for the financial year and this was despite the fact that a lot of GST refunds have become due. The revenue receipts at the same point of time in the previous year were 58 per cent. Only 'other receipts', consisting mainly of disinvestment of PSUs, were much higher compared to the previous year (42 per cent compared to 72 per cent). These facts have not been brought forth by the budget. Tax revenue (net) from Integrated Goods and Services Tax was Rs. 70,918 crore in August, Rs 30,395 crore in September, Rs 18,370 crore in October and Rs 18,627 crore in November, 2017.

Revenue receipts in the current year turned out to be about Rs 10, 300 crore lower than what was budgeted while revenue expenditure was nearly Rs 1, 07, 400 crore higher than the estimate made a year ago. What the budget speech did not mention was that the effective revenue deficit in the current year is estimated to be nearly twice as large as the budgeted amount — Rs 2.5 lakh crore compared to Rs 1.3 lakh crore. If fiscal deficit slippage is claimed to have been contained at 3.5% of GDP rather than targeted 3.2%, it was only because the capital expenditure in the revised estimate is around 12% lower than what the budget had provided for. In other words, the government had spent about Rs 36, 400 cores less on creating future assets than it had promised to. Thus, while the FM's speech may have suggested that the government is investing in the future like never before, the figures tell a different story. Such anomalies, exaggerations, unrealistic projections and proposals to change the methodology as well as base year for calculation of macroeconomic indicators are galore in the budget and government declarations.

Moreover, there is no clear indication as to how the deficits would be met. If it through further borrowings (Debt to GDP ratio is about 74% now), then the burden of

servicing that increasing debt (now conservatively estimated to be 25% of the revenue expenditure) would make people back-broken further. If it is through printing of additional currency notes, then that would push up inflation putting people in further distress. If borrowings are warranted to finance deficits caused by way of giving plethora of benefits to the ruling capitalists and affluent, why should people pay the price for that? This, in essence, is the crux of the fiscal savagery going on in the name of budget.

Out and out anti-people

So, a closer look reveals that not a single pressing problem tearing the common people apart has been addressed in right earnest. Rather, the killing economic measures like demonetization have been hypocritically praised. "We are enthused by this success of our measures and we pledge to continue to take all such measures in future by which the black money is contained and the honest taxpayers are rewarded. Demonetization was received well by honest taxpayers as "imandari ka utsav" (festival of honesty) only for this reason", said the FM in his budget speech.

Like any other past budget of the Modi regime, it's indeed a hard-core pro-capitalist pro-corporate budget packaged in a "populist" way by sweet-coated words and false promises. The dubious anti-peasant

agenda has been projected as a "pro-farmer" one; an insurance scheme branded as an improved healthcare; pious assumption of possible creation of casual jobs passed as employment generation and so forth. These pet talks are nothing but subterfuges to distract the people's attention from the real issues and deceive people with virtual gains at a time when the government has nothing tangible to offer. No one else but Amit Shah, the BJP President had shamelessly admitted earlier before the electronic media that most of their pre-poll electoral promises of 2014 were only 'jumlas' (gimmicks). Going by that, this budget is also full of not just 'jumlas' but spurious logics, camouflages, deceptions, misleading figures and wild dreams. That is why there has been eccentric marketing of this anti-people budget by the corporate media, industry barons, a gang of bourgeois economists-columnists and privileged bureaucrats. But there is no opposition, either rightist or leftist, in Parliament to categorically point out these deceptions and catch the government napping by presenting due scrutiny of the budget. All the parliamentary parties virtually give safe passage to such murderous attack on truth. Let common people not fail to notice the 'jumla' that the slogan of 'ease of living' is in fact the earlier catchphrases like 'garibi hota' and 'jai kisan' rebooted.

AIUTUC strongly condemns BJP government's decision of opening up nationalized coal mining sector to private operators, calls for united resistance

In a statement issued on 21 February, 2018, Comrade Sankar Saha, General Secretary, AIUTUC, strongly condemned the latest move of the Narendra Modi Government to open up coal mining sector hitherto in government sector, to private and foreign corporates for being operated on pure commercial basis. Such de-nationalization of the Coal Mining industry would definitely pave way to compromising with the rights, safety and security of the coal mine workers, the statement said.

Withdrawal of all restrictions on pricing of coal and its end-use will increase manifold the burden on the

common people. Such unrestricted private mining of coal invariably shall cause severe impact on the question of country's security in a big way, the statement mentioned.

Comrade Sankar Saha raised caution against these anti-people, anti-worker retrograde steps of the Modi Government which would lead to disastrous effect on the national economy. He called upon all the trade unions in general and unions operating in coal industry in particular to denounce this evil design of BJP-led Central Government and resist this heinous move through united militant opposition across the country.

NIRAV MODI-PNB SCAM

Frauds and scams are savage economic attack on the people

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business in jewellery. It is also alleged that a close associate of FM who unsuccessfully contested Punjab Lok Sabha election as a BJP candidate was inducted in the PNB board. Most remarkably, Nirav Modi who is now hiding at an anonymous place abroad writes a letter to PNB counter-alleging that the Bank's actions had destroyed his brand and business and restricted his ability to pay all dues. His lawyer claims that there has been no irregularity on the part of his client as all transactions are documented and PNB had regularly levied fees on its dealings with the firms of Nirav and his associates. And finally, he straightway refuses to appear before the Enforcement Directorate (ED) and CBI and flatly refuses to repay the money. Audacity unparalleled! Could Nirav and his accomplices dare to ignore official summons of the ED and CBI and refuse to pay back loans so bluntly unless they have "connections" strong enough to help them flee the claws of the law and escape unhurt? Is it not that they were tipped well in advance and then allowed a safe passage to foreign countries and then became so fugitive as to elude all extended arms of law? Are we to gulp the story of the Finance Minister that only a few middle-level PNB officials in connivance with the audit firm are guilty of allowing this fraud to take place? Are we to accept that the BJP leaders have no relationship with Nirav Modi, Mehul Choksi and their accomplices nor have they been indulgent onlookers to this ongoing crime?

How clean is the slate of the BJP and its government?

One would recall that Narendra Modi after taking over as the country's Prime Minister promised that he would neither "embezzle public money nor allow someone to do it" (*na khaunga na khane dunga*). Obviously, his target was the Congress in whose regime a slew of mega scams like the 2G, Coalgate, IPL and others had unfolded. But now it is an open secret that there is no rein whatsoever on cornering public money through illegal and corrupt means. Nirav Modi scam came into the open close on the heels of unravelling of the controversial Rafale jet deal (where the government is accused of jacking up purchase price of Rafale fighter jets arbitrarily and inexplicably to a whopping Rs 1,611 crore as against originally quoted price of Rs 526

crore per unit). All these show how the BJP's rule is no different from the erstwhile Congress regime in so far as perpetration of mega-financial scandals involving public money is concerned. Now these two principal ruling parties subservient to bourgeois class interest are taking jibes at each other attesting to the proverbial saying that 'the pot calls the kettle black'. Narendra Modi, the BJP Prime Minister, often arrogates to himself the credit for administering the country with "More of governance and less of government". His close aide, Finance Minister Arun Jaitley boasts that they are providing the countrymen the regale in "imandari ka utsav" (festival of honesty). But facts show that the blood-sucking capitalists, drooling to intensify their plunder of the poor countrymen are merrily using the BJP rule to their maximum gain and advantage. Now, ASSOCHAM and FICCI, two main organizations of the ruling Indian monopolists, are advocating privatisation of the public sector banks (PSBs) for taking them out of woes. The fact they have cleverly suppressed is that as many as 736 private banks had either failed or ceased to function or were amalgamated with PSBs. If privatization was the panacea why were they closed down or merged with others? What prompted ruling capitalism and its obedient Congress government to opt for nationalization of banks on the plea that the funds of privately owned banks were being uncontrollably utilized by the individual industrialists in their narrow sectarian personal as well as commercial interests? Was it not a fact that these private sector banks did inch to precipice of bankruptcy, not because of any large scale default by small debtors but because of virtual loot by the big business houses? Is it not that many of the promoters of these banks had siphoned out bank funds for their own business and other uses? How prudent it is to think that banks in the private sector are free from corruption? So, if the PSBs are now handed over to such wanton looters and plunderers, would the public money deposited with the banks be secured or periled much more? Nirav Modi episode and allied developments have thus brazenly exposed the hideous and hypocritical underbelly of the self-attributed applauds of the Prime Minister and other BJP ministers and leaders. It also shows the global and domestic corporate overlords wholeheartedly backed Narendra Modi to rule India

so that they could use his rule turn the country into yet more a haven for their rampant loot and plunder.

A definite design is discernable

If one observes carefully, it would be revealed that the BJP government as an obedient servant of ruling capitalism has been pursuing a definite design to reach out undue benefits to the big industrial houses and corporate giants in the name of so called economic reforms. First was the stunt of demonetization to detect black money. But it had instead helped whatever little black cash was in circulation to be converted into white because today capitalism generates, protects and feasts over black money. Secondly, the common people were forced to deposit even the last farthing they possessed with the banks so that the likes of Ambanis-Adanis-Nirav Modis could rejoice in reckless plunder of people's money. On the other hand, common toiling people—the poor peasants, daily wagers-casual labourers—hawkers-small shop owners and even middle level businessmen are devastated. Then, on the plea of making cheap bank loans available to the capitalist owners for setting up 'industries', interest on bank savings are being progressively lowered. Even interests on national saving schemes are regularly reduced putting common people in extreme hardship.

The question that obviously arises after unfolding of cases after cases of illegal fraudulent sourcing of funds is whether these loan-taking firms or organizations fall under the category of real industries or are shell companies or dubious entities used as conduit for draining off people's money to fill the coffers of the capitalist owners and their servitors? Then, in the name of tax simplification and prevention of tax evasion, GST was introduced. It goes without saying that the capitalist-imperialist rulers, their political managers and caretaker governments, would only formulate laws, impose regulations and revamp procedures simply to serve the vested interest of the monopolists and corporates, both domestic and foreign, and operationalize the agenda of more and more concentration, consolidation and centralization of economic power along with political powers in the hands of the capitalist-imperialist state. To shield this heinous objective, the ruling party leaders and ministers indulge in a slew of false promises

and assurances as well as make all kinds of radical postures. Exactly that has been the case with GST also. Neither has it simplified the procedure nor could it check tax evasion. Now, GST benefits are, as expected, usurped by the capitalist owners while the common people are ending up bearing the entire burden loaded on the end-price of items of use including essential commodities. Then was announced introduction of the 'Financial Resolution and Deposit Insurance Bill, 2017 (FRDI Bill) aimed at embezzlement of people's hard earned savings in the banks to bail out the banks artificially that had turned insolvent because of wanton and alacritous default of bank loans by large industrial houses and corporate tycoons, as well as swindling of people's money by crooks like Nirav Modi and others of that ilk. So it is the common toiling people who are at the receiving end in every respect, fleeced and robbed to the core. Their life is at stake; their livelihood is in peril. Their purchasing power is falling rapidly because of spiralling price line and fast abolition of means of earning. Their hard earned savings kept in the banks for rainy days is being misappropriated by the unscrupulous big business with the government-administration in tow. If a peasant defaults bank loan because of crop failure or denial of remunerative prices for his produce, his movable or immovable property, if any, is confiscated and he is turned into a beggar overnight. Unable to bear with the ignominy and starvation, the hapless peasant even takes the extreme step of committing suicide. First of all, any ordinary citizen can hardly think of availing bank loans because of procedural hazards and stipulation of stringent conditions. Even if anyone manages to secure, say a consumer loan from a bank and defaults two EMIs (Equated Monthly Instalments), he faces harassment, persecution, threat and even is physically assaulted by the hirelings appointed by the bank. But if any Ambani-Adani-Mittal-Jindal-Kothari default loans, they are favoured with waivers, write-offs and even sanction of fresh loans. This is the spectacle of capitalist India. The very attitude, approach, outlook and steps of the government are making it clear who is running it for whose interest—the common people or the plundering bourgeoisie. The parties like the BJP and the Congress are simply agents and managers of the ruling capitalists, acting at their behest, paving way for their loot and plunder by waiving,

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NIRAV MODI-PNB SCAM

All crimes, corruption and malaises are bred, reared, protected and shielded by rotten reactionary capitalism

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twisting or overriding the laws. This is the sinister design being avidly pursued by these parties of the establishment. So called “ease of doing business” trumpeted by the BJP Prime Minister is, in fact, a euphemism for the licence to bring down such ferocious economic onslaughts on the people by the capitalists-imperialists and their servitors. In fact, the BJP, the Congress and other bourgeois parties are surviving on such scams and frauds.

Corruption, fraud, swindling are the features of dying capitalism

It would be fallacious to view this fraud merely as a malaise in the Indian banking system or the handiwork of a few crooks. If one looks at the capitalist world, it would be found that corruption, fraud, swindling of funds, scam and all such crimes and aberrations have become part and parcel of the capitalist system. During the rising period of capitalism, the banks were viewed as facilitators of economic activity by pooling the resources from the people and then channelizing those funds to productive investment by way of granting loans to then sprawling industries and business and in turn benefitting the common people in the form of earning reasonable return on their savings. But today, when capitalism following inexorable course of history has long exhausted its progressive role, is rotting and turned utterly reactionary, the banks and financial institutions have become conduits to finance all sorts of speculations, covert smuggling and such other immoral activities. Capitalism today is trampling underfoot all rules, norms, principles, ethics, morality, scruples and values to corrupt the entire system pending which it cannot prolong its oppressive, obsolete rule. Among all acts of corruption, financial corruption has become most dominant. Stricken by growing acute insolvable market crisis created by the very laws of capitalism, the imperialist-capitalist rulers find no scope for profit maximization through productive investment in basic and core manufacturing industries. So, surplus capital in their hands is being diverted to speculation, smuggling and all such other shady activities. In fact, the whole capitalist economy has now been turned into a punter’s den. For fuelling large scale speculation and inflating individual purses, additional funds are sourced

from the banks through various routes, both permissible as well as impermissible. In fact, the prime job of the banks has now been to supply such funds in gross violation of the fiduciary responsibility incumbent on them. In fact, the banks have now become appendage to an utterly corrupt nexus of big industrialists-dubious traders-crooked businessmen-dishonest bureaucracy-avaricious ruling party leaders. A glaring example of that was the sub-prime crisis that broke out in 2008 in USA and shook the global capitalist economy. In order to embezzle bank funds, this corrupt nexus works in tow with the pliant government and breaks rules with alacrity. The ruling parties which are anointed in power and both financially and politically nurtured by the ruling bourgeoisie oblige their mentor by allowing reckless pilferage of public money with impunity. Hence the ruling bourgeois parties, whether it is the BJP or the Congress in India or the Democratic or Republican Party in USA, silently abet such frauds and crimes. Only when any such fraud or scam is leaked and there is a commotion, a show of corrective action is orchestrated in the form of cosmetic raids, token arrests and surfeit of counterfeit promises of ‘strong action’ against the culprits. But, once the din and bustle subsides, all hyper-activism vanishes. The culprits go not just unscathed but make fortunes with the stolen people’s money. The capitalist state protects them. The ruling bourgeois parties who source their election funds from these frauds and smugglers and thrive on their ‘benevolence’ shield them in all possible ways. It ought not to be forgotten that all these malaises, aberrations, corruption and crimes are bred by capitalism, reared by capitalism, protected by capitalism and shielded by capitalism.

What can stem the rot?

Would the suffering common people go on feeling helpless in such a circumstance? Should such scams and frauds be allowed to go on unabated? No, that cannot be. People must confront the issue based on correct understanding and correct approach. If they do that, there would be some check on this seamless and systematic loot and plunder and consequent savage economic assault on them. During the days of freedom movement and also for a good period after independence when there was spurt

of powerful people’s movement with a pre-dominant leftist outlook, such assault on the people in newer and newer forms was not in sight. But today when people’s protest and resistance movements have been considerably enfeebled—thanks to the compromising policies of the pseudo-Marxists and leftists now in frantic pursuit of pelf and power—one after another severe economic attacks are brought down on them by

the ruling capitalist class and its servitors. The more slackened is people’s organized protest and resistance, the more unbridled and desperate are the capitalist rulers, their hirelings and subservient thugs, criminals and burglars. So, people must close their ranks based on this realization and spearhead resurgence of the desired surge of powerful movements under correct leadership in right earnest to stem the rot.

SUCI(C) holds defrauding of Punjab National Bank by Nirav Modi and his accomplices as murderous economic assault on people and calls for building up powerful people’s movement to deter recurrence

Comrade Provash Ghosh, General Secretary, SUCI(C), issued the following statement on 17 February, 2018: —

The way state-run Punjab National Bank (PNB) has been defrauded by one Nirav Modi, a diamond and jewellery merchant, stated to be close to the ruling BJP to the tune of Rs 11,300 crores glaringly in connivance with corrupt bank officials, government-administration and the echelons in the hierarchy of the ruling party reveals once more what scale financial crime, corruption and murderous economic assault on people in capitalist India has climbed and how the political agents of ruling capitalism are abetting such *mala fide* acts of swindling hard-earned people’s money deposited in the banks in good faith, allowing the guilty to go scot free and ultimately paying these corrupt banks crores of people’s money from state exchequer in the name of helping them to cover up their loss. Clearly if these nefarious acts are allowed to go unabated, such broad-day-light robbery of people’s money by the unscrupulous businessmen and industrialists hand-in-gloves with the power that be would increase more and more, holding poor toiling masses into ransom and leave them totally bereft of rudimentary security of life.

It is, therefore, imperative that the suffering people close their ranks and rise up in vehement protest and build up a powerful movement intensity of which alone can work as a deterrent to recurrence of mega crimes and frauds.

Students earn significant victory as Karnataka government announces free bus pass to all students

After four long years of struggle, students of Karnataka led by AIDSO earned victory as the state government conceded to their demand for “free bus pass for all the students”. The government decision will benefit close to 20 lakh students of the state. With the cost of education already constantly on the rise from rampant privatization-commercialization, severe drought in the state four years ago had made survival itself difficult and education virtually a luxury. It was forcing many students to discontinue. The demand for “Free Bus Passes” was raised on this background and as in the case of other movements, AIDSO took up this cause of suffering students. The movement gradually picked up momentum, with protest demonstrations organized in many districts of the state. It also gained strong support from people. The combined pressure of the student movement and growing support from people, compelled the government to declare in the state budget that all students in the state would get free bus pass from the next academic year. AIDSO congratulated the students and people and hoped that this victory would act as an inspiration for the future greater struggles.



Delhi Units of AIDYO, AIDSO, AIMSS and AIUTUC jointly organised protest rally on 20 February against exorbitant rise in Metro Rail fare

SUCI(C) condoles demise of Sri Puttannaiah

The Karnataka State Committee of SUCI(C) deeply mourned the untimely demise of Shri Puttannaiah, the leader of the progressive peasants' movement in the state on 18 February 2018, on account of massive cardiac arrest. The Party recalled its long association with Shri Puttannaiah in joint left and democratic mass movements in the state, against misrule of the Congress, Janata Dal and the BJP. At a time when the downtrodden masses of peasants, agricultural labourers, workers and even middle class people were suffering immensely from shamelessly pro-corporate government policies and rise of communal forces and when on face of it united movement of left and democratic parties and forces and individuals including our party was getting shaped up in the state, demise of Shri Puttannaiah is bound to cause a great loss. While paying homage to Shri Puttannaiah, the Party pledged to strive for and step up the movement for which he worked till his last days.

First International Human Rights Film Festival held in Kolkata

Kolkata saw its first International Human Rights Film Festival 2018 which was organized jointly by the Centre for Protection of Democratic Rights and Secularism (CPDRS) and MSC (Medical Service Centre) and was held from 23 to 25 February at Gandhi Bhavan of Jadavpur University, Kolkata. Receiving massive response from filmmakers, Human Rights activists, academicians, legal professionals, students and common people, the Festival was inaugurated by Justice Chittatosh Mukherjee who had been the first President of West Bengal Human Rights Commission. The inaugural ceremony was graced by the presence of Meghnath veteran film maker and human right activist, filmmakers Rameswar Rao, Subhas Borkar, Biju Toppo and Supriyo Sen among others and the closing ceremony on 25 February saw Justice Asok Ganguly, Justice Samaresh Banerjee, Film Directors Partha Sen and Ladly Mukhopadhyay on the dais. The Festival contained both competitive and non-competitive (special screening) sections with 32 films from 8 countries of 3 continents (Asia, Australia, Europe) and nine states of India . There were two open fora on panel discussion, the first panel being on 'Films in Human Rights Movements' on 23 February and the other on 'Films—issues of Migration' on 24 February, in which eminent film makers, social activists and academicians shared views among themselves and with the audience to create awareness on the issues.

Screening of biographical films of eminent scientists held at Trivandrum

At Lenin Balavadi, Trivandrum on 18 February 2018 Banner Film Society (Thiruvananthapuram) and Breakthrough Science Society jointly held a whole-day screening of four biographical films *Creation* 2009 (UK; on Charles Darwin), *The Story of Louis Pasteur* 1936(USA; Paul Muni in the Academy Award winning role as the scientist), *Madame Curie* 1943(USA; on Madame Curie and Pierre Curie), *The Man Who Knew Infinity* 2015 (UK; on Srinivasa Ramanujan, the Indian mathematician), as an integral part of developing a formidable science movement, being carried on by the BSS and BFS, the latter under the guidance of Easwara Chandra Vidyasagar Cultural Centre, Trivandrum.

ABECA demands 50% reduction of power tariff in West Bengal

Comrade Sanjit Biswas, President , All Bengal Electricity Consumers Association (ABECA) had announced in a Press Conference held at the Calcutta Press Club on 5 February that exorbitantly high power tariff in West Bengal is bringing about a lot of problems in industry and agriculture in the state. On one hand it is adding massively to the unemployment and on the other causing sky-high price rise. The ABECA had long since been demanding reduction of power tariff, but neither the former CPI (M) government, nor the present TMC government paid heed to it. The situation has changed a lot, as a result of which had the government wished, it could have reduced the tariff by 50% even after allowing the companies their legally permissible profit margin. In elaboration Comrade Biswas pointed out that the coal-price has come down by 40%, GST by 7% and the losses incurred by the companies on this account has been reduced by another 2%. Consequently the CESC could

make a surplus of 1080.54 crore rupees and the power development corporation and distribution companies could save 3189.03 crore rupees. Even after these and even after the Central Power minister and the State Power Control Commission had asked the state government to slice off power tariff on these basis, the state government stays unmoved. Comrade Biswas raised the question as to what has been the fate with the money. Either the government should give the money back to the consumers or should lower the tariff. Comrade Paryut Chowdhury, Secretary, ABECA, pointed out that the Telangana government has declared to provide 24 hour power to agriculture free of cost. But in West Bengal the tariff is being continually raised.

A programme of mass squatting was held in Kolkata on 23 February on demand of 50 % reduction of power tariff and from there a deputation called upon the Chief Minister with a charter of demand signed over by more than 10 lakh consumers.



Huge protest rallies of Anganwadi Workers' and Helpers' Union affiliated to AIUTUC in Kolkata, West Bengal (on 20 February) and [right] Rohtak, Haryana (on 24 February) on various pressing demands like permanency of job, ensuring minimum salary and pension etc.

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