

Proletarian Era

Volume 30 No. 12
March 21, 1997

Organ of the SOCIALIST UNITY CENTRE OF INDIA
Founder Editor-in-Chief : COMRADE SHIBDAS GHOSH

Rs. 2.00
Air surcharge : 5 P.

General Budget

Shameless Servitude to Ruling Class

The Union Finance Minister Mr P Chidambaram began this year's budget speech saying that his budget follows "strong continuity". And how true it is ! That's why, the corporate sector, the kulaks, the blackmoney holders, foreign MNCs are in all praise for the Finance Minister and the U.F. government thereby proving that Mr Chidambaram is not only in "strong continuity" of the policies of the Congress(I) government, but could surpass the Congress(I) in nakedly serving the 'moneybags'. The wild jubilation generated in the corporate kingdom ran

so high that the name of the Finance Minister is proposed for nomination for Nobel Prize. The euphoria generated centring this budget attributed it as 'growth oriented'. Let us see whose growth it does ensure.

Last year, the first budget of the UF government reduced the corporate tax from 45% to 43%. This year, it has been slashed down to 35%. Then again, whereas surcharge on this item was reduced to 7.5% from 15% last year, this year surcharge has been totally abolished.

Domestic companies buying technical know-how and other services from their

foreign counterparts on payment of 'fees' as royalty had to pay 30% tax on royalty payment. This time it has been lowered to 20%.

Non-resident Indians (NRIs) who amassed huge capital abroad are now almost a catchword in India and nearly top the list of 'patriots'. To lure their investments to India so many tax concessions and privileges were in vogue for them. It is well known that many industrial business tycoons-kulaks of India secretly siphon abroad a major part of their plundered super profits regularly. NRI syndrome has provided scope

to the Indian capitalists to again send the siphoned money back to India in the name of NRI investment and to reap further profits mainly through speculation in the share markets. Thus many of the so-called NRIs are actually working as the agents of the Indian capitalists. These so-called 'patriotic' NRIs used to face 20% tax cuts on capital gains until recently. It has now come down to 10%. As a result, apart from the NRIs in general, the Indian corporate sector is very much happy. Because, these domestic industrialists going by proxy as NRIs would now be able

to siphon off legally huge capital to the foreign banks in NRI accounts after clinching heavy returns from tax-concessions.

Last year, the Finance Minister, along with lowering down of corporate tax, introduced MAT (Minimum Alternate Tax). As is known, by way of tax concessions and manipulating company balance sheets, many giant companies do not pay any taxes and are termed as 'zero tax' companies. For this category of companies, an amount of minimum alternate tax was levied last year and that amount was actually
(Contd. on page 4)

Stalin Memorial Day observed at Ghatsila

[The 44th death anniversary of Joseph Stalin, the leader of the world proletariat, that falls on 5th March, was observed on that historic day at the Study Centre of Marxism-Leninism-Shibdas Ghosh Thoughts at Ghatsila. On this occasion, Comrade Nihar Mukherjee, our beloved General Secretary, hoisted the Red Flag and garlanded the portraits of the great leaders Marx, Engels, Lenin, Stalin, Mao Ze-dong and Shibdas Ghosh in the morning. In a solemn atmosphere, a meeting was held in the evening to commemorate the occasion, which was presided over by Comrade Nihar Mukherjee, General Secretary of the party. The main speaker in the meeting was Comrade Tapas Dutta, member, Central Committee, and Secretary, Orissa State Committee. A synopsis of both the speeches is given below. — Editor, Proletarian Era.]

Comrade Nihar Mukherjee's speech

The whole world as also our country now are in a vortex of unprecedented crisis. In order to discharge our historic duty in this situation, we will have to inculcate teachings from the invaluable contributions of Stalin in the world communist movement.

In course of conducting ideological struggle to defend Leninism on a strong footing against both the rightist and the leftist deviations, Stalin elaborated the teachings of Lenin and thus developed the correct and comprehensive understanding of Leninism. Without this firm foundation of Leninist understanding, communist movement in that period could not have achieved that tremendous success it did. Here lies one of the pioneering contributions of great Stalin. If we are to accomplish anti-capitalist socialist revolution on Indian soil, it is our bounden duty to assimilate

teachings of Marxism-Leninism as explained by Stalin.

Stalin once observed: "It is impossible to put an end to capitalism without putting an end to social democratism."

In our country the parties like CPI, CPI(M) etc., are the forces of social democracy who are playing the compromising role between labour and capital. Today they are actively defending this crisis-ridden capitalist system not only in the states where they are in power but their participation in the UF Government at the Centre - direct or indirect - have exposed their role as servitor of this decadent system. Naturally, unless and until these parties can be ideologically exposed and organisationally isolated from the people, revolution in our country cannot be achieved.

It is also the teachings of Stalin that by conducting criticism and self-criticism openly in a

communist party which is built on Leninist model, democratic centralism is fully established and this makes the party strong as steel instead of weakening it. Stalin used to say, criticism and self-criticism are like "pure water and fresh air" and without these the party will be weak. He used to say that communists are seekers of truth. As historic and scientifically experimented truths are the strong basis of the political activities of the communists, they are not afraid to criticise their own faults, and they do it openly which the bourgeoisie cannot even imagine. Real communists always conduct merciless struggle against their shortcomings and mistakes by taking resort to the correct method of criticism and self-criticism.

In the post-1930 period and in the background of acute international crisis because of crisis of capitalism-imperialism, a large number of opportunists, conspirators and saboteurs infiltrated the party like bad blood, but Stalin did not waver to conduct the great purge which saved the party and the country led by it. It was because of this that it was observed after the start of the Second World War that fascist Germany failed to plant a single spy in the Soviet Union although it was able to do so in other countries. It could be achieved because through the great purge he had already unified the party as strong as stone capable enough to tackle
(Contd. on page 5)

Teachings of Karl Marx

[14th March is the 114th Death anniversary of Karl Marx, the founder of scientific socialism. In the complex situation obtaining to-day in the world communist movement it is all the more necessary to learn and relearn from the teachings of Karl Marx. On the occasion of his death anniversary we are giving some excerpts of his teachings, which will be of immense value to us in our tasks ahead. — Ed. P. Era.]

On Society

It is above all necessary to avoid restoring society as a fixed abstraction opposed to the individual. The individual is the social being. Therefore, even when the manifestation of his life does not take the form of a communal manifestation performed in the company of other men, it is still a manifestation and confirmation of social life....

There is no need of any great penetration to see from the teaching of materialism on the original goodness and equal intellectual endowment of men, the omnipotence of experience, habit and education, and the influence of environment on man, the great significance of industry, the justification of enjoyment, etc., how necessarily materialism is connected with communism and socialism. If man draws all his knowledge, sensation, etc., from the world of the senses and the experience gained in it, the empirical world must be arranged so that in it man experiences and gets used to what is really human and that he becomes aware of himself as man. If correctly understood interest is the principle of all morals, man's private interest must be made to coincide with the interest of humanity. If man is unfree in the materialist sense, i.e. is free not through the negative power to avoid this or that, but through the positive power to assert his true individuality, crime must not be punished in the individual, but the anti-social source of crime must be destroyed, and each man must be given social scope for the vital manifestation of his being. If man is shaped by his surroundings, his surroundings must be made human. If man is social by nature, he will develop his true nature only in society, and the power of his nature must be measured not by the power of separate individuals but by the power of society. ...

The premises from which we begin are not arbitrary ones, not dogmas, but real premises from which abstraction can only be made in the imagination. They are the real individuals, their activity and the material conditions under which they live, both those which they find already existing and those produced by their activity. These premises can thus be verified in a purely empirical way.

The first premise of all human history is, of course, the existence of living human individuals. Thus the first fact to be established is the physical organisation of these individuals and their consequent relation to the rest of nature. ...

Men can be distinguished from animals by consciousness, by religion or anything else you like. They themselves begin to distinguish themselves from animals as soon as they begin to *produce* their means of subsistence, a step which is conditioned by their physical organisation. By producing their means of subsistence men are indirectly producing their actual material life.

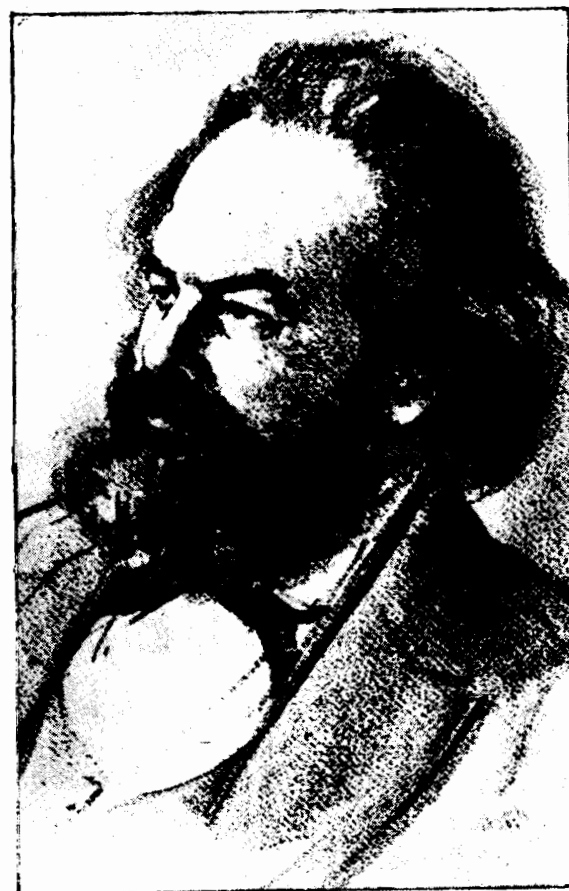
The way in which men produce their means of subsistence depends first of all on the nature of the actual means of subsistence they find in existence

and have to reproduce. This mode of production must not be considered simply as being the reproduction of the physical existence of the individuals. Rather it is a definite form of activity of these individuals, a definite form of expressing their life, a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore coincides with that production, both with *what* they produce and with *how* they produce. The nature of individuals thus depends on the material conditions determining their production. ...

This conception of history depends on our ability to expound the real process of production, starting out from the material production of life itself, and to comprehend the form of intercourse connected with this and created by this mode of production (i.e. civil society in its various stages), as the basis of all history; and to show it in its action as State, to explain all the different theoretical products and forms of consciousness, religion, philosophy, ethics, etc., etc., and trace their origins and growth from that basis; by which means, of course, the whole thing can be depicted in its totality (and therefore, too, the reciprocal action of these various sides on one another). It has not, like the idealistic view of history, in every period to look for a category, but remains constantly on the real *ground* of history; it does not explain practice from the idea but explains the formation of ideas from material practice; and accordingly it comes to the conclusion that all forms and products of consciousness cannot be dissolved by mental criticism, by resolution into 'self-consciousness' or transformation into 'apparitions', 'spectres', 'fancies', etc., but only by the practical overthrow of the actual social relations which gave rise to this idealistic humbug; that not criticism but revolution is the driving force of history, also of religion, of philosophy and all other types of theory. It shows that history does not end by being resolved into 'self-consciousness' as 'spirit of the spirit', but that in it at each stage there is found a material result: a sum of productive forces, a historically created relation of individuals to nature and to one another, which is handed down to each generation from its predecessor; a mass of productive forces, capital funds and conditions, which, on the one hand, is indeed modified by the new generation, but also on the other prescribes for its conditions of life and gives it a definite development, a special character. It shows that circumstances make men just as much as men make circumstances. ...

The materialist doctrine concerning the changing of circumstances and upbringing forgets that circumstances are changed by men and that it is essential to educate the educator himself. This doctrine must, therefore, divide society into two parts, one of which is superior to society.

The coincidence of the changing of circumstances and of human activity or self-changing can be conceived and rationally understood only as *revolutionary practice*. ...



What is society, whatever its form may be? The product of men's reciprocal action. Are men free to choose this or that form of society for themselves? By no means. Assume a particular state of development in the productive forces of man and you will get a particular form of commerce and consumption. Assume particular stages of development in production, commerce and consumption and you will have a corresponding social constitution, a corresponding organisation of the family, of orders or of classes, in a word, a corresponding civil society. Assume a particular civil society and you will get particular political conditions which are only the official expression of civil society.

It is superfluous to add that men are not free to choose their *productive forces* — which are the basis of all their history — for every productive force is an acquired force, the product of former activity. The productive forces are therefore the result of practical human energy; but this energy is itself conditioned by the circumstances in which men find themselves, by the productive forces already acquired, by the social form which exists before they do, which they do not create, which is the product of the preceding generation. Because of this simple fact that every succeeding generation finds itself in possession of the productive forces acquired by the previous generation, which serve it as the raw material for new production, a coherence arises in human history, a history of humanity which takes shape is all the more a history of humanity as the productive forces of man and therefore his social relations have been more developed. Hence it necessarily follows that the social history of men is never anything but the history of their individual development, whether they are conscious of it or not. Their material relations are the basis of all their relations. These material relations are only the necessary forms in which their material and individual activity is realised. ...

In production, men not only act on nature but also on one another. They produce only by cooperating in a certain way and mutually exchanging their activities. In order to produce, they enter into definite connections and relations

(Contd. on page 3)

Teachings of Karl Marx

(Contd from page 2)

with one another and only within these social connections and relations does their action on nature, does production take place.

These social relations into which the producers enter with one another, the conditions under which they exchange their activities and participate in the whole act of production, will naturally vary according to the character of the means of production. With the invention of a new instrument of warfare, firearms, the whole internal organisation of the army necessarily changed: the relationships within which individuals can constitute an army and act as an army were transformed and the relations of different armies to one another also changed.

Thus the social relations within which individuals produce, the social relations of production, change, are transformed, with the change and development of the material means of production, the productive forces. The relations of production in their totality constitute what are called the social relations, society, and specifically, a society at a definite stage of historical development, a society with a peculiar, distinctive character. Ancient society, feudal society, bourgeois society are such totalities of production relations, each of which at the same time denotes a special stage of development in the history of mankind.

On Class and Class Struggle

No credit is due to me for discovering the existence of classes in modern society or the struggle between them. Long before me bourgeois historians had described the historical development of this class struggle and bourgeois economists the economic anatomy of the classes. What I did that was new was to prove: (1) that the *existence of classes* is only bound up with *particular historical phases in the development of production*, (2) that the class struggle necessarily leads to the *dictatorship of the proletariat*, (3) that this dictatorship itself only constitutes the transition to the *abolition of all classes* and to a *classless society*...

After vouchsafing such profound explanations about the 'connection of politics with social conditions' and the 'class relations' with the State power, Mr Heinzen exclaims triumphantly: 'The "communistic narrow-mindedness" which divides men into classes, or antagonises them according to their handicraft, has been avoided by me. I have left open the "possibility" that "humanity" is not always determined by "class" or the "length of one's purse".' Bluff common sense transforms the class distinction into the 'length of the purse' and the class antagonism into trade quarrels. The length of the purse is a purely quantitative distinction, which may perchance antagonise any two individuals of the same class. That the mediæval guilds confronted each other on the basis of handicraft is well known. But it is likewise well known that the modern class distinction is by no means based on handicraft; rather the division of labour within the same class produces very different methods of work.

It is very 'possible' that particular individuals are not always influenced in their attitude by the class to which they belong, but this has as little

effect upon the class struggle as the secession of a few nobles to the *tiers état* had on the French Revolutions. And then these nobles at least joined a class, the revolutionary class, the bourgeoisie. But Mr Heinzen sees all classes melt away before the solemn idea of 'humanity'.

If he believes that entire classes, which are based upon economic conditions independent of their will, and are set by these conditions in a relation of mutual antagonism, can break away from their real relations, by virtue of the quality of 'humanity' which is inherent in all men, how easy it should be for a prince to raise himself above his 'princedom', above his 'princely handicraft' by virtue of 'humanity'?....

In the Middle Ages the citizens in each town were compelled to unite against the landed nobility to save their skins. The extension of trade, the establishment of communications, led the separate towns to get to know other towns, which had asserted the same interests in the struggle with the same antagonist. Out of the many local corporations of burghers there arose only gradually the burgher class. The conditions of life of the individual burghers became, on account of their contradiction to the existing relationships and of the mode of labour determined by these, conditions which were common to them all and independent of each individual. The burghers had created the conditions insofar as they had torn themselves free from feudal ties, and were created by them insofar as they were determined by their antagonism to the feudal system which they found in existence. When the individual towns began to enter into associations, these common conditions developed into class conditions. The same conditions, the same contradiction, the same interests necessarily called forth on the whole similar customs everywhere. The bourgeoisie itself, with its conditions, develops only gradually, splits according to the division of labour into various fractions and finally absorbs all propertied classes it finds in existence (while it develops the majority of the earlier propertyless and a part of the hitherto propertied classes into a new class, the proletariat) in the measure to which all property found in existence is transformed into industrial or commercial capital. The separate individuals form a class only insofar as they have to carry on a common battle against another class; otherwise they are on hostile terms with each other as competitors. On the other hand, the class in its turn achieves an independent existence over against the individuals, so that the latter find their conditions of existence predestined, and hence have their position in life and their personal development assigned to them by their class, become subsumed under it. This is the same phenomenon as the subjection of the separate individuals to the division of labour and can only be removed by the abolition of private property and of labour itself. We have already indicated several times how this subsuming of individuals under the class brings with it their subjection to all kinds of ideas, etc.

In the development of productive forces there comes a stage when productive forces and means of intercourse are brought into being, which, under the existing relationships, only cause mischief, and are no longer productive but destructive forces (machinery and money); and connected with this a class is called forth, which has to bear all the

burdens of society without enjoying its advantages, which, ousted from society, is forced into the most decided antagonism to all other classes; a class which forms the majority of all members of society, and from which emanates the consciousness of the necessity of a fundamental revolution, the communist consciousness, ...

So where is the real possibility of ... emancipation?

We answer: in the formation of a class with radical chains, a class in civil society that is not a class of civil society, of a social group that is the dissolution of all social groups, of a sphere that has a universal character because of its universal sufferings and lays claim to no particular right, because it is the object of no particular injustice but of injustice in general. ... It is, finally, a sphere that cannot emancipate itself without emancipating itself from all other spheres of society and thereby emancipating these other spheres themselves. In a word, it is the complete redemption of humanity. This dissolution of society, as a particular class, is the proletariat. ...

An oppressed class is the vital condition for every society founded on the antagonism of classes. The emancipation of the oppressed class thus implies necessarily the creation of a new society. For the oppressed class to be able to emancipate itself it is necessary that the productive powers already acquired and the existing social relations should no longer be capable of existing side by side. Of all the instruments of production, the greatest productive power is the revolutionary class itself. The organisation of revolutionary elements as a class supposes the existence of all the productive forces which could be engendered in the bosom of the old society.

Does this mean that after the fall of the old society there will be a new class domination culminating in a new political power? No.

The condition for the emancipation of the working class is the abolition of every class, just as the condition for the liberation of the third estate of the bourgeois order, was the abolition of all estates and all orders.

The working class, in the course of its development, will substitute for the old civil society an association which will exclude classes and their antagonism, and there will be no more political power properly so-called, since political power is precisely the official expression of antagonism in civil society. ...

The Commune does not do away with the class struggle, through which the working classes strive to the abolition of all classes and, therefore, of all class rule (because it does not represent a peculiar interest. It represents the liberation of 'labour', that is the fundamental and natural condition of individual and social life which only by usurpation, fraud and artificial contrivances can be shifted from the few upon the many), but it affords the rational medium in which that class struggle can run through its different phases in the most rational and human way. It could start violent reactions and as violent revolutions. It begins the *emancipation of labour* — its great work of the state parasites, by cutting away the springs which sacrifice an immense portion of the national produce to the feeding of the statemonster on the one side, by doing, on the other, the real work of administration, local and national, for workingmen's wages. It begins therefore with an immense saving, with economical reform as well as political transformation.

GENERAL BUDGET**Pseudo lefts compete with bourgeois parties to serve the capitalists better***(Contd. from page 1)*

minimum. At this, the industrial lobby raised a hue and cry so much so that as if MAT became the source of all evils in Indian economy. This year, during the pre-budget parleys with Mr Deve Gowda and Mr P Chidambaram, the captains of these industries made them understand in no uncertain terms their displeasure over the MAT issue. The outcome of the parleys bore fruitful results in no time! Even after unbelievably record amount of tax concessions running over Rs.10,000 crore having doled out mainly to the owning class, Mr Chidambaram had to climb down by still lowering the MAT. But, he did not totally withdraw it. May be it became a prestige issue to his government. But his budget speech makes it amply clear that he could just save this prestige by entreating the owning class with folded hands!

So far, tax was deducted on the dividend paid by the companies to its share holders. This time, it has been totally withdrawn. As a result, owners who keep their company shares either in their own names or in fictitious names would also be handsome beneficiaries besides those who earn crores of rupees through share dividend. Though on the distributed profits of the company, 10% tax has been imposed, but to the expert manipulators of the balance sheets, this would pose no problem at all.

Traders in black money are full of glee this time. They do not, of course, form part of any separate category or class. Corporate tycoons, big business and 'patriotic' bourgeois politicians alike constitute the biggest chunk of it. Only by paying 30% tax on the undisclosed hidden wealth at home and abroad, the black money holders are given a scope to convert their black money into white without attracting any punishment. It has been entirely left to the 'pious

wishes' of the holders of black money about which the government has no positive role to recover the black money running almost as a parallel economy! Can it touch even the fringe of the problem? Just after the declaration to this effect, 'patriotic' traders of black money have come down to the streets in the service of their motherland! Just the day after placing the Union Budget, Mumbai Stock Market Index rose steeply. The magic wand of second budget of the UF government was felt everywhere.

As a matter of fact, exactly similar incident took place after the Manmohanic budget in 1992. Fairy tales of 'free-market' economy then ran amok. The myth exploded in 1994. But what led to this year's abrupt Index zooms in the country's stock markets? *The Statesman* stated in its despatch dated the 5th March, '97 thus: "The upward trend of the Bombay Stock Market Sensitive Index has led to speculation that unaccounted for money is flowing into the bourses through a select set of brokers. According to market players, no new real investments have taken place despite the massive rise in Sensex over past few days. ... Inquiries by *The Statesman* revealed that indeed a part of slush scam money belonging to a handful of politicians is being turned to Stock Exchange to make quick profits." "...The tumultuous welcome given to Mr P.Chidambaram's budget starkly underlined the Finance Minister's inclination to take care of stock brokers along with the SEs. The profit earning has never been as easy and as smooth as at Stock Exchanges. With the government working on the amnesty scheme to garner black money, profit making at SEs is tantamount to merry making." In other words, behind the bullish fever in the Stock Markets lie the manipulative skills of bull

lobby, not the prospect of newer investments. In a tumultuous ovation to Mr Chidambaram's budget, this bull lobby gleefully told: Well, a budget worth to augur the country's development, has, long last dawned! They are the 'real' country and theirs are the last words.

An industrial lobby was vociferous against the policy of unhindered entry of foreign multinational companies (MNCs) and is known as 'Bombay Club'. Foreign MNCs are taking over many an Indian industry by various means and are getting, in some cases, more tax concessions than that of the Indian corporate sector. Here lies the objection of the Bombay Club. They do not like so much opening up and for that are clamouring for 'Level Playing Field', which does not, of course, mean opposition to open market policy. This section of the Indian bourgeoisie more particularly, are the patrons to the slogan of 'Swadeshi' of the BJP. No doubt, they are the chief source of 'Swadeshi' fund of the BJP.

In the theory of CPI(M)'s 'People's Democratic Front', the bourgeoisie of 'Bombay Club' probably constitute that section of 'progressive' and 'patriotic' Indian bourgeoisie for whom goes on the frantic search of the CPI(M) leadership! Who knows behind the pet slogan of 'self-reliant economy', 'controlled free market' of the CPI(M), this section of the bourgeoisie is very much active from behind? In the last January Partnership Summit of Confederation of Indian Industry (CII), in Calcutta, the leader of this 'Club' Mr Rahul Bajaj of the Bajaj Group heaped profuse praise over the prospect of wider liberalization in West Bengal. Going through Mr Chidambaram's budget, Rahul Bajaj jubilantly says: "I can't believe it. I have never seen a better budget". It suggests their "concern" has been appropriately looked into this year's budget. What

are those measures?

First, big companies will now be allowed to buy back their own shares. Company laws will be amended in due course for this purpose. This will enable them to consolidate their holdings in the company,

Second, till recent past foreign investors in the Indian stock markets could buy upto 24% shares of an Indian company. With wider liberalization in import policy, demand for more and more foreign exchange was gaining momentum. Investments in the Indian Share Markets by the Foreign Investment Institutes (FII) now are the major source of incoming foreign money. As a matter of fact, most of the foreign investments in India are in the Stock Markets. Thus more and more liberalization in the import policy and rising debt burden demand foreign investment ceiling to be raised. Accordingly, Mr Chidambaram has raised this ceiling to 30%. And to allay the fear, if any, of the Indian corporate sector, provision has been brought about whereby the foreign investors could buy shares upto 30% subject to the approval of the Board of Directors of the concerned company. It may not be out of place to mention here that like the Bombay Club, the FICCI, the CII, nay the entire Indian corporate sector, too, have some reservations about all-out opening of the economy, without providing adequate defence to the Indian giants.

Gobbling up of smaller enterprises by the bigger ones through the sales and purchase deals or strengthening and concentration of capital through merger and coalescence of two or more companies have become the order of the 'free-market' economy in the country today. And through it, the big ones are transforming itself into bigger ones whereby domination of a few microscopic companies are being established over the

market. The Indian corporate sector, as a whole, cherish, rather their demand centres round this coalescence and merger gameplan, which they very much aspire this to be limited exclusively among themselves!

Third, while the tax rate for Indian companies is 35%, for the foreign companies it is now made 48%. Privatization in insurance sector has been opened up for the entry of Indian private sector alone. For the present, green signal for joint ventures have been given after excluding Pension Fund Scheme and Health Insurance from the LIC and the GIC respectively. In this sector too, only the fully owned Indian companies could form collaboration with the LIC and the GIC. This is just the beginning. Surely floodgate will be opened in course of time. Those sections of the Indian monopolists who are eager to launch joint ventures with foreign insurance companies in India, are happy to see the gates are getting opened. So also those who are only in favour of the entry of Indian capital in insurance sector are happy no doubt! The BJP stands for the latter chanting the slogan of swadeshi. Mr Chidambaram has obliged them, too.

The CPI and the CPI(M) were all along vociferous against privatization of insurance sector, be it Indian or foreign. But pre-budget declaration of the policy of privatization of the coal mines fetched routine press statements from them. Nothing more, nothing less, making some to term it as 'eye wash'. Now with the announcement of privatization of LIC's Pension Fund and the GIC's Health Insurance, the CPI(M) has again come up with just a 'protest' statement to fulfil its obligation! And from the Congress(I), who is the father of the privatization spree, the question of opposition does not arise at all.

The clout of the Indian agro-capitalists (kulaks) are again reflected in this year's budget. From the day of his ascendancy as Prime Minister, Mr. Deve Gowda calls himself a 'humble

(Contd. on page 6)

UTUC-LS'S CALL TO ALL INDIA STEEL WORKERS Expose Social Democracy and Resist Globalisation

The all India Conference of the steel workers was held on 8th and 9th March last at Bokaro with much enthusiasm. The steel city wore a new look with graffiti, banners, festoons and gates erected on the occasion.

In the morning of 8th March Comrade Pritish Chanda and Comrade Tapas Dutta, the All India President and the All India General Secretary respectively of the UTUC-LS were accorded a grand ovation by the steel workers, students and youth of Bokaro.

The Open Session started at 4 PM on 8th March in front of the Administrative Building. Two rallies from two different places converged at the site of the meeting after parading different roads of the steel city. Comrade Tapas Dutta presided over the meeting while Comrade Pritish Chanda was the main speaker. Comrades Anil Sarkar, Bihar State Secretary of UTUC-LS, Mohan Choudhury, Madhu Sinha, D.K. Mukherjee and others also addressed the meeting. Comrade Chanda analysed the international and national situation, and showed how imperialism headed by the US imperialists had been bringing about newer attacks on the different countries of the world in the name of globalisation. The ruling clique of our country had also been launching attacks on the working class in the interest of the capitalists. In the name of modernisation the workers were being retrenched, the work load was being increased, contract system was being introduced in permanent job and the public sector units were being privatised one by one. The steel workers were also victims of this attack. Comrade Chanda appealed to the workers

to build up militant movement to resist these attacks.

In his presidential address Comrade Tapas Dutta said that immediately after independence the Indian capitalists possessed less capital and so they demanded of the government for building up basic and heavy industries with the money of the people, so that they could rapidly increase their capital by investing in consumer goods industry. So it was in the aggregate interest of the capitalist class that the public sector was built up at that time. But when the capitalists had amassed huge capital, the government was privatising these public sector units at the demands of these capitalist class. The workers including the steel workers must have to understand this basic and fundamental question.

Comrade Dutta pointed out that the steel workers along with other workers of the country were victims of the policy of globalisation, liberalisation and privatisation pursued by the monopolists of our country in their own class interest. It was against this attack that movement had been going on since 1991. But it was a matter of great regret that those who were partners of this movement were inviting the multinationals in those states where they were in government. Comrade Dutta cited the example of Left Front Government of West Bengal, and strongly criticised this duplicity which hit the moral backbone of the movement and ultimately weakened it. Comrade Dutta stressed on the necessity of increasing the consciousness of the workers, and pointed out the danger of consumerist culture among the workers.

The delegate session started on 9th March with the hoisting of Red Flag by Comrade Tapas Dutta, and garlanding of the martyrs' column by Comrade Pritish Chanda.

530 delegates from different steel plants of SAIL participated in this conference. This conference was divided into three sessions. In the first two sessions the main resolution and the charter of demands were placed and more than one hundred delegates deliberated and placed amendments on them. The main resolution and the charter of demands were unanimously adopted after accepting some amendments.

A resolution opposing privatisation of IISCO and with the demand of handing over the responsibility of modernisation of this plant to SAIL was also unanimously adopted.

It was later on decided to form Federation of Indian Steel Workers under the leadership of the UTUC-LS, as the NJCS miserably failed to protect the interest of the steel workers. The executive committee of this Federation was unanimously elected with Comrade Tapas Dutta as President.

In the third session, Comrade Pritish Chanda and Comrade Tapas Dutta elaborately dwelt on international and national situation.

Victorious AIDSO movement in Sagar MP

Examination and other fees were increased by cent percent in the Dr. Hari Singh Gour Vishavidyalaya in Sagar, MP. But the AIDSO, Sagar district organising committee initiated movement against this hike in fee from November last and in January built up movement with others under the banner of Chatra Sangharsh Samity Vishavidyalaya. As a result of this movement 75 percent of the hike in fees was withdrawn.

Stalin Memorial Day observed

(Contd. from page 1)

any adverse situation. These are only a few instances of Stalin's unwavering struggle in building up and guiding the Leninist party. We will have to cultivate these teachings of Stalin in the background of the all-out Elevation and Rectification Struggle which the Central Committee is endeavouring to build up so that our party is able to face the present intricate national and international situation by freeing it in every stage from all sorts of looseness, limitations, drawbacks and weaknesses. The only way to conduct this struggle is to create a surge of open criticism and self-criticism in all the stages of the party by strictly observing Communist Code of Conduct. According to Stalin this "pure water and fresh air" of criticism and self-criticism can inspire and forge unity among every worker, leader and the whole party more and more. Only by this we can hasten Indian revolution in bold steps on the one hand and on the other discharge our duty in fulfilling our international responsibility in the changed world situation. Here lies the real revolutionary significance of our remembering Stalin.

Comrade Tapas Dutta's speech

Not only do we learn from Stalin's character and life-struggle, we also get inspiration from him. It is Stalin who showed that, "Leninism is Marxism in the era of imperialism and proletarian revolution." The first socialist revolution was achieved in backward Russia on the basis of

Lenin's analysis to strike at the weakest link of the imperialist chain. After the demise of Lenin, Stalin led Russia to be one of the foremost powers of the world. The strength of their power was proved by the victory of the Soviet Union against Nazi Germany at the cost of 2 crore lives and by the destruction of fascist military power. Not only the Red Army, but the entire united Soviet people participated in this war, and this unprecedented unity could be achieved only under the leadership of Stalin. For the same reason, that is for loyalty to socialism, loyalty to party and unflinching faith in the leadership of Stalin, Soviet people were able to achieve socialist reconstruction within a very short time after the war. Thus the Soviet Russia progressed ahead again despite attacks. But after the demise of Stalin, Khrushchev initiated assault on it and that was the beginning of revisionist deviation.

History has showed again and again that attacks on revolutionary movements come not only from outside, but also from within. And this attack from within is most dangerous. The attack of Khrushchevite modern revisionism showed this rude truth once again vindicating Stalin's oft-repeated saying: "A fort is best occupied from within."

At that time, analysing the 20th Congress of the CPSU, Comrade Shibdas Ghosh cautioned that that Congress might open the floodgate of revisionism. Later, the Great Proletarian Cultural

Revolution in China under the leadership of Mao Ze-dong conducted ideological struggle against revisionism, which Comrade Shibdas Ghosh welcomed as "magnificent".

Starting from the 20th Congress the revisionists, and following them the capitalist-imperialist powers were continuously striving to malign Stalin. Comrade Shibdas Ghosh showed that they were attacking Stalin judging him from bourgeois humanist outlook, while viewed it on the anvil of correct proletarian values and outlook, it was clear his qualities were rare communist qualities. Even amidst continuous dangers and ups and downs he kept himself calm and unperturbed. While discharging the very serious responsibility of being the head of the party, the state and the army he did his job calmly. He could achieve it because to him the interest of revolution, socialism, the Soviet people as well as the toiling masses the world over reigned supreme and dearest.

Only a few leaders emerged in history who were able to identify his own character with ideology in such depth. We should also emulate this aspect of Stalin's character. Love, affection, tenderness - we should have all these qualities - it is we who should possess these all the more, but we should not allow weakness in the name of love. If one, whom I love now most, obstructs revolution the other day, must get his due punishment in the interest of the party and revolution. A revolutionary should relinquish all weaknesses and remain steadfast in his missionary job. Let the living example of Stalin's character inspire us.

GENERAL BUDGET

Bonanza of Tax concessions to the capitalists

(Contd. from page 4)

farmer'. This self-proclamation is, in reality, a signal to the rural bourgeoisie that he would look after their interest. Enough of it has been reflected in the budget.

Like the previous years, this year too, kulaks remain out of the purview of income tax net. In the name of agricultural growth, bank and government loans have been increased from Rs. 22,000 crore to Rs. 28,600 crore. None of the poor and the marginal peasants get the benefit of it ever. Not only that. The rural bourgeoisie (kulaks) and the urban corporate giants alike are stepping in in the production of cash crops and food processing industries through big farming. For their interest, demand for abolition of upper land ceiling Act was hovering round the corner. As a sequel to it, the poor and the marginal peasants and the share croppers would more than ever lose their land and continue to be transformed into landless agricultural labourers.

The Left Front government of West Bengal is the forerunner with regard to bringing in amendment of upper ceiling of land encoded in the Urban Land Ceiling Bill. Following suit, Mr Chidambaram announced to bring in legislation revising upper ceiling of urban land and assured that rural land ceiling act would also be amended in due time. Then again, with regard to totally withdrawing the state control over the trade of foodgrains and other agricultural produces too, this budget is

loud enough to point out which way the tide of liberalisation is moving in. Going ahead, the Finance Minister announced scrapping of laws relating to rice milling, act, licensing, price control, edible oils and cotton regulation act, etc. etc. Such are the demands of the Indian rural bourgeoisie as well as of the foreign MNCs, which have come up through the GATT and WTO. The ominous design is clear: total abolition of state control over the foodgrains and cash crops resulting in galloping price rise for the people and huge profits for the kulaks.

The upper limit of investment in the small scale sector was already raised to the level of Rs. 3 crore and for the 'tiny' sector it was raised to Rs. 25 lakhs. The real import of raising the upper limits of investment in this sectors boils down to throwing open free entry of big business, who by means of their modern technologies could throw out the small capital from market and cash in on the concessions and privileges earmarked for the SSI sector. Worse still, 14 items of products so long reserved for this small scale sector have been unceremoniously withdrawn paving the way for stepping in of bigger companies in the production of these items too. Suffice it to say, this brings in silent and gradual burial of the vast small scale sector units in stiff competition with their bigger counterparts. Millions of workers and artisans would lose their jobs.

In our country the number of people employed,

though with meagre wages, in the small scale sector, constitutes the majority after agriculture and they would be street beggars by this budget. But even this opportunity of begging in the streets might be denied to them as the schemes to beautify the cities at the dictates of the World Bank are afoot at the behest of not only the ruling parties and administration but also the judiciary. So in this free market, they will be free to die only.

The Congress will have nothing to oppose after such shameless servitude to the corporate sector. The Congress wants the continuation of its economic policy. Deve Gowda-Chidambaram duo has not only taken that path but even surpassed the Congress in the race.

Mr Chidambaram is also liberal in pro-poor vocabularies like the Congress leaders. So the Congress is very prompt in realising the essence of this budget and Mr Pranab Mukherjee has branded this budget as 'clever'. Mr Manmohan Singh, the mentor of Mr Chidambaram, is at a loss. He could not imagine that his disciple would surpass him. So what he has said on price rise and such other issues as a friendly criticism, was nothing but what he used to denounce before as 'leftist cliché'. But now he has no difficulty as those 'leftists' for whom he used to utter these words have now come under the same umbrella along with the Congress.

The CPI is openly saying that being a constituent of the UF it would not criticise this budget. The CPI(M) on the other hand was busy in formulating its tactics to protect the friendly government and also to hoodwink the people at the same time. Mr

Somnath Chatterjee, the CPI(M) leader in the Lok Sabha, has said one thing, while the politburo statement expressed a different opinion and Mr Jyoti Basu, the Chief minister of West Bengal and member of the politburo expressed still a different opinion. All these are trickeries. But they claim that the proposal to turn black money white was mooted by them and the Finance Minister paid heed to them. So like the black money holders, the CPI(M) leaders could not suppress their jubilation over the 'amnesty scheme'. And the subsequent announcement of opposition to the budget by CPI(M) leaders will, no doubt, boil down to a 'friendly discussion' within the Steering Committee, where all the so-called 'differences' and 'opposition' would vanish.

The preferred silence of the BJP on this budget has already been pointed out. So the BJP's opposition has turned out to be hollow.

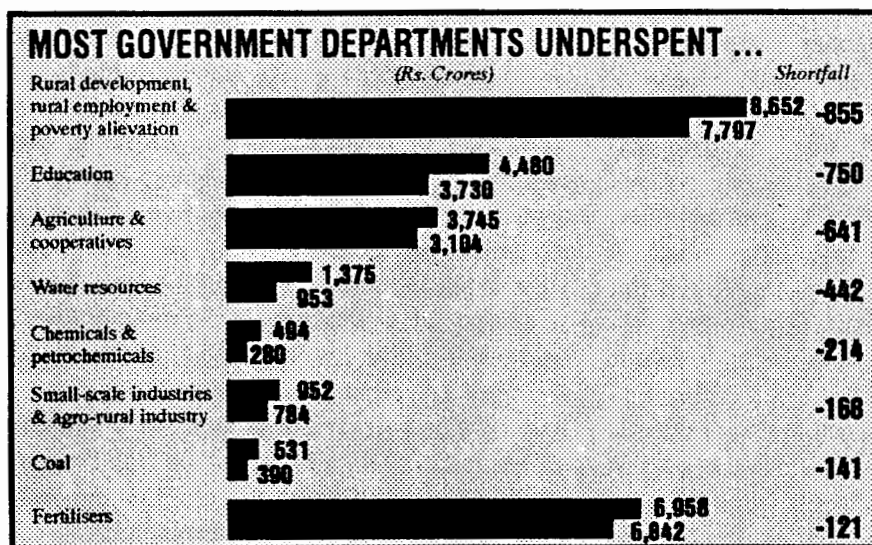
As the Congress, the BJP, the CPI(M) and the CPI adorning Parliament in New Delhi are virtually supporting this budget, the corporate sector is hailing the budget as path breaking, the economic analysts are depicting growth graphs in newspapers, radio and TVs (despite some discordant notes), so a concerted move is afoot to create an impression that no one can deny that this budget is 'pro-people', 'pro-poor' and 'growth oriented'. By this everyone is asked to lie prostrate at the feet of the corporate sector. This is nauseating indeed. We express our bitterest hatred against this conspiracy of the capitalist class, and urge the people to express their hatred against the bourgeois and pseudo left parties serving the interest of the capitalists.

To prove this budget to be 'pro-people', the reduction of income tax rate for the salaried people is again and again stressed. But this is nothing but deception. Due to intense and continuous price rise the real purchasing power of all sections of people has been

continuously dwindling. The workers and employees have been demanding for long for protection of their real wages against this inflationary spiral, because the DA increase is not in conformity with the price increase. Though the government tries to prove itself as the friend of the employees in the given situation, in reality it reduces the income tax mainly to overcome the demand recession in the market. In the pre budget period there was a massive recessionary pressure in the economy. Now as a result of the so called industrialisation in the free market economy, the consumer goods industries have now become the main prop. Even in this field there is more stress on import rather than on production in the country. In this budget, too, import duty has been drastically cut to facilitate further import of consumer goods as Mr Manmohan Singh did. The upper middle class and a section of the middle class are the buyers of TVs, refrigerators and other consumer goods. The recession creeps in as a result of the decline in the real income of this section of the people. To ward off this recession even partially the real income of the employees has to be augmented. It is because of this that the income tax rate has been reduced. This is in reality an artificial attempt to save the crisis ridden Indian economy. So there is now a rush for declaring huge reduction in the price tag of TVs, refrigerators and other electronic goods to allure the buyers.

Moreover, the amount of increase in real income to be effected by this reduction in income tax rate will very soon be eroded through inflationary pressure. The 12 per cent increase in freight charges and 20 per cent surcharge on luggages and parcels in the railway budget has already created the ground for further inflation. Over and above, the revenue deficit is for Rs. 30,266 crore and the fiscal deficit is for Rs. 65,454 crore. The

(Contd. on page 7)



[Courtesy : Business World, 1-15 March, 1997]

GENERAL BUDGET**Disservice to people ensures patronage of ruling class***(Contd. from page 6)*

expected budgetary income of the government rests on pious estimates. The government will meet the deficit in budget through printing extra currency notes and it will invariably cause further inflation. Again the hike in prices of the petroleum products is on the anvil.

The government has already ventilated that it is no more possible to provide Rs. 18000 crore as subsidy on account of oil pool deficit. On the plea of this oil pool deficit the government will hike the prices of petroleum products. But this hike has not been effected in pre budget fiat or in this budget mainly for three reasons. Firstly, the pro-people mask of the budget would have easily been torn apart in that case. Secondly, petroleum prices in the international market are now declining, and so any increase in price of petroleum products in India would have invited strong opposition. Thirdly, despite privatisation in oil sector there has been a decline in oil production last year instead of augmenting the same, and by revelation of this truth the government would have been put to the dock. Mr Chidambaram has, however, announced the policy of opening up of oil field explorations not only to the Indian private sector but to the foreign concerns also. Be that as it may, it can be said with certainty that the government will hike the prices of petroleum products and as a chain reaction to that prices of all commodities will increase. By expressing his concern at the sufferings of the poor the Finance Minister said in his budget speech that the government would adopt various measures to check inflation. But in his budget speech not a single measure to that effect could be traced. Those items which are essential to the people, like postcard, envelope, chemicals used in drugs etc will now cost more whereas luxury goods used by rich will be somewhat

cheaper.

In order to hide the budgetary deficits this year Mr Chidambaram has taken recourse to trickery. He has said that henceforth the practice of drawing credits from the Reserve Bank of India by the government through Ad-hoc Treasury Bills to meet the budgetary deficits would be discontinued. Only with these words, he left the budgetary deficits wide open to guess ! Does that actually reflect negative balance of budgetary deficits ? That's not at all the case! Mr Chidambaram went on record, saying that hereinafter government would borrow money as 'Ways and Means Advances' from the RBI. It means the government would go on borrowing from the RBI. In fact, the technicalities apart, there is not much difference between ad hoc treasury bills and 'Ways and Means Advances' so far as government's credit is concerned. As a matter of fact, in order to hide the massive budgetary deficit from the public eye, the Finance Minister resorted to this sort of trickery. For, after doling out staggering tax-concessions to the corporate sector, cuts in the custom duty to the tune of Rs. 2,625 crore, and also after meeting internal and external debt burden of interest payment of over Rs. 68,000 crore, there will not be much left in the exchequer. In that eventuality, he is fully aware, there would remain no option left but to rush in for further loans from internal and external agencies ; or in lieu of it to cash in on the prospect of further mopping up of internal resources by way of fleecing our debt-burdened people for balancing the budgetary deficits! It is thus as clear as daylight that by taking refuge to dubious explanatory narration in the Lok Sabha, Mr Chidambaram simply tried, in vain, to hide the trickery in balancing the budget. But with this vain attempt, the awesome consequences can

hardly be forestalled. Rather, the massive budgetary deficits would invite two possibilities. In the first place, government is sure to take loans from the market, domestic or abroad, irrespective of its method and nomenclature, which in turn, will push up the price line further. Second, faced with this exigency, government investments, which are on the wane, in the fields of social welfare, employment generation, poverty alleviation, infrastructure development and heavy industrial sector would be drastically slashed.

Playing with deception, the Finance Minister went on harping with dramatic overtones on budgetary allocations in respect of social welfare, creation of job avenues, education, science & technology sectors as well as national highway development in part 'A' of his budget speech.

Given the comparison with the last year's budgetary allocations vis-a-vis inflationary level at 8%, these allocations become too meagre in monetised term. Even in some sectors, the provision falls short of what was in the previous year. As for example, government allocation for strengthening of National Highways come to mere Rs. 200 crore. In agriculture, it registered a slight increase of Rs. 349 crore while for irrigation and flood control it fell short by Rs. 492 crore. Rural development sector could secure an increase of Rs. 1,027 crore whereas social service sector fetched an increase of mere Rs. 3407 crore. The 'social service sector' comprises many heads including the basic needs like drinking water. So only after getting the figures of headwise actual allocation can one measure the real worth of the same. This is not all. Mr Chidambaram took recourse to an unprecedented step in order to show balance in budgetary expenditure of last year. In the revised estimates for the year 1996-97, it has now come to light

that the government did not spend the budgetary allocations made in respect of sectors just indicated above ! Rather in almost all sectors, the government's spending had significantly gone down. As a result, Rs. 9,568 crores were 'saved' from budgetary allocation for '96-'97 that attracted salvos of 'bravo' from the Treasury Benches in the Lok Sabha. Where has the money gone ? Mr Chidambaram has 'ably' and 'boldly' provided this people's money to the corporate sector. So, the figures of allocation to various social sectors that Mr Chidambaram has loudly pronounced in this year's budget speech do not bear any relevance to the reality. For the lure of laurels from owning class at home and abroad for his capacity to balance the (undeclared) massive budgetary deficits, what else than pruning of the budgetary allocations rightaway towards social sector Mr Chidambaram could catch hold of !

No budget by any of the governments, it goes without saying, in a crisis-ridden capitalist country, that too in this period of the third intense general crisis of capitalism, can serve the real interest of the downtrodden masses, whatever its recourse to jugglery in arithmetics, deception or window dressing. What is, however, new in this year's budget is that it has been presented by a government of which the CPI is a direct and the CPI(M) an indirect participant and which enjoys power with the support of the Congress. This political complex of the ruling UF has reflection in the budget which only illustrates the proverb that power rests on the prop. The CPI (M) may sound like being at liberty to raise a hue and cry over this budget, but the fact cannot be washed out from the pages of history that in preparing this budget to nakedly serve the interest of the big monopoly giants both in India and abroad and of the kulaks in the country and in acting so deadly against the

interest of the people the CPI-CPI (M) duo has acted no less to make it their handiwork.

On the morrow of the budget, Prime Minister Deve Gowda proclaimed that no one can dislodge his government from the seat of power. Thus he has finally been able to strike a chord with the actual rulers of the country, i.e. the capitalist class. It is no secret that since its installation in the Central government the 13-party combination was suffering from the threat of getting toppled. With this hotch-potch combination at the helm of affairs, the Indian corporate sector as well as foreign MNCs were expressing apprehension about the continuity of the so-called 'reform process' meaning further liberalisation and concomitant benefits to the 'capital'. The Congress (I) through Manmohan Singh was harping on this. So also the BJP. Mr Deve Gowda in various domestic and foreign business forums had been trying hard to impress the 'capital' that his UF government was no less sincere and able than any other single party government in serving monopoly interests. Now, through this budget he is successful in proving his points and sending the right message to the appropriate quarters. This budget will no doubt bring disaster in the lives of the people of the country, but like all bourgeois governments, Deve Gowda and his pseudo-left associates know well that only by this disservice to the people can they be able to get the fullest support and patronage from the capitalist class which is urgently sought by them to remain in power and to make their government 'a stable one'.

To analyse the budget from the economic point of view is surely very important but to miss these political imports will be doing disservice to the cause of the people.

Picketing in Chennai

Chennai, 28.2.97 : At the call by the National Platform of Mass Organisations comrades belonging to UTUC-LS and all our mass organisations joined thousands of protestors belonging to other central trade unions and the respective mass organisations in a massive picketing programme in front of the Central Telephones Office in Kuralagam in Parris in Chennai (Madras) to protest the anti-people policies of the Centre.

Thousands of protestors were arrested including many of our comrades. Comrade A Sivakumar addressed the large gathering.



UTUC-LS with others picketing in front of Chennai Telephone Exchange Office

Anti-bus fare hike movement in Karnataka

In Karnataka bus fare increased by 100% to 150%. In some cases it increased by as much as 200%. Our party first raised voice against it. Protest demonstrations and street corner were organised at various parts of the state.

After intense campaign, on 17th March, hundreds of SUCI volunteers including a large number of lady comrades as also volunteers of Sarvodaya and Yuva Lok Shakti blocked Kempe Gowda road near Mysore Bank Circle to protest fare hike. Police arrested the protestors who include Sri H. S. Doreswamy, a veteran freedom fighter and leader of Sarvodaya, Sri Vasudeva Rao of Yuva Lok Shakti, Comrade K. Radhakrishna, State Secretary, SUCI. Thousands of people present were emotionally surcharged and hailed the movement.



March 17th Rasta Roko against bus fare hike in Karnataka. From left to Right : Comrade Jayalakshmi, Comrade K. Uma, Comrade K. Radhakrishna, Sri H. S. Doreswamy, veteran freedom fighter and others

Massive Demonstration by Haryana KKMS

On 27th February, the martyr's day of Saheed Chandrasekhar Azad, All India Krishak Khet Majdoor Sangathan (AIKKMS), Haryana State Committee, staged a strong demonstration before the Assembly at Chandigarh demanding free electricity and irrigation water, job throughout the year, Rs.30,000 grant for the landless to build homes and against price rise particularly of agricultural goods, all-out corruption, privatisation of electricity under World Bank instruction, atrocities on women, etc.

A large number of women participated in the demonstration. Gramin Chowkidar's Organisation, also participated in the demonstration. People flanked the well disciplined decorated procession. Participants came from all over Haryana including nearer districts like Kurukshetra, Kaithal and far off districts like Rewari, Hissar, Bhiwani and Gurgaon. Speakers condemned the Haryana Vikas Party and BJP led government for pursuing anti-people moves and measures.

Led by Comrade Satyawan, State Secretary, AIKKMS, a delegation including Comrade Anup Singh, Assistant Secretary, Comrade Baburam Vice-President, Comrade Rajendra Singh handed over the memorandum to the P.A. to the Chief Minister.



A portion of rally in Chandigarh by AIKKMS on 27th February, 1997

Corrigendum

In the issues of *Proletarian Era* dated January 21, 1997 and March 5, 1997, some erroneous expression appeared.

The last sentence on page 1, column 3 continued para, covering the report of anti-imperialist programme in Havana (Jan 21) and the last sentence on page 3, column 4, para 5, (March 5) should be read as follows:-

"The more developed among the backward countries like India which has already developed imperialist character are trying ..."

Demonstration in Trivandrum

Trivandrum, 3.3.97 SUCI volunteers took out demonstrations in the capital city of Trivandrum on 27th February and March 1 against anti-people

Railway and General Budgets respectively.

The demonstrations converged into protest meetings before central railway station and RMS, Trivandrum respectively where Comrade B K Rajagopal, state committee member of SUCI spoke.

EDITOR-IN-CHIEF : NIHAR MUKHERJEE