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Union Budget 2008

Desperate attempt to keep sinking capitalist economy afloat through artificial stimulation

While commending union budget 2008 to the Parliament, the Finance Minister (FM) of the Congress led central government claimed that last four years have been the best years in so far good governance is concerned benchmarked in terms of generous grants, compassion, righteous rule and succor to the downtrodden. He informed that every day, every hour, his government's work is a discovery of the path to reach the goals of full employment, abolition of poverty and elimination of inequality. Hence his has been an attempt to 'keep the growth story unhindered' and create a take-home thrill for all. He also reminded that the year ahead would be yet better once his current budgetary prescriptions are translated into action. And as we all have seen, the bourgeois media and lobby tried to paint the budget as a waiver-packed engine to stimulate growth. Since the budget speech has been full with proposals of waivers, tax-pruning and lowered duties, it is also being branded as an election manifesto. The quarters of vested interest, defenders of existing capitalist order and a section of columnists take extreme care to ensure that discussions on economy remain as far as perfunctory with focus on number-crunching and playing with catchphrases like 'inclusive growth', 'GDP upswing', 'spurt in per capita income' and so forth. Otherwise, they fear, it would come to light that all the problems, aberrations are spawning from the decaying capitalist system and all crises surfacing with so much virulence are endemic of the system itself. But as vanguards of the Indian proletariat, spokesmen of the suffering millions and wretched households gasping under ruthless capitalist exploitation, it is incumbent on us to bring to the fore what has been sought to be hidden under the wrapper of so-called largesse distribution and election-orientation in the latest budget.

Demand, Employment, Agriculture

We begin with the claim of the FM regarding growth. He himself in the budget speech has admitted that there is a slowdown in economic growth as GDP has fallen from 9.6% to 8.7%. "Agriculture has struck a disappointing note", he conceded. Though he preferred to play loud his list of waivers and exemptions to camouflage some of the festering soars, Economic Survey (ES) published two days before the annual budget despite all rigorous exercises to suppress the reality with jugglery of words and fondling with figures presented with all academic overtones could not but keep under the carpet some of the 'disturbing facts' and spelt out some of the policy directives (as an additional chapter for the first time) to rescue the sliding economy. Commenting on the growth story, the Survey said that inflation is rising though consumption is falling. There is lowest average growth of food and beverages and an 'erratic pattern of change of clothing and footwear … because the middle class households treat them as falling within residual expenditure category'. Unemployment rate, the Survey says, increased from 7.3% in 1999-2000 to 8.3% in 2004-05 though we know that the figure so arrived is much lower than the fact as compilation process is flawed. The rates based on current daily status basis (CDS) approach are higher than those obtained by the usual status, adds the Survey. Of course to the discerning, the swelling number of registered unemployed as well as retrenched and laid off workers is reflective of the actual state of affairs. The Survey also pointed out that "there has been a loss of dynamism in the agricultural and allied sectors" because of "gradual degradation of natural resources through overuse and inappropriate use of chemical fertilizers". The "manufacturing industry recorded a slowdown due to lower off-take of consumer durables, observed the Survey. It is also apprehended that foodgrain production target will fall short by more than 2 million tones in 2007-08 and a shortfall in domestic availability would increase vulnerability of domestic prices to international price shocks.

Service sector

ES also showed that much trumpetted 'growth story' is powered by broad based increase in the service sector (services which in fact are in the category of ancillary or support sector contributes about 56% of GDP) a large proportion of which is the burgeoning IT industry dependent on ephemeral 'outsourcing boom'. Incidentally, the Survey indicated, surprisingly

Contd. on page 2

SUCI flays union budget 2008 as a blueprint of knavery

Giving his instant reaction on union budget 2008, Comrade Nihar Mukherjee, General Secretary, SUCI, in course of a statement issued today said that though under electoral exigency the Congress-led government has been compelled to concede some concessions in the form of increase in personal income tax exemption levels and waiver of bank loans to small and marginal peasants, this budget instead of making any sincere endeavour to take some effective steps at least, to mitigate the mounting problems of unemployment, depleting income and soaring price line spawning from the crisis-ridden decadent moribund capitalist system plagued by rising recession, spiraling inflation and deep seated stagnation and devastating the life of the common people, has as usual been an occasion for the ruling class and its political managers saddled in power to get away with routine parroting of allocation figures, well-calibrated waffles about poverty alleviation scheme formulation and cosmetic adjustments in fiscal measures. Since there is no concrete step to ensure remunerative prices for their crops, guaranteed market for selling agricultural produces, availability of adequate seeds and fertilizers at cheap rate, easy hassle-free credit and complete eradication of the middleman system at every stage of production and distribution, the poor farmers, pointed out Comrade Mukherjee, will continue to be enmeshed in debt-trap while the ruling combination and its friends will reap electoral benefits by upholding their 'stellar' performance in writing off the bank loan. Similarly, with no specific step announced to unearth huge black money, undertake speediest recovery of non-performing assets with the banks and financial institutions to the tune of around twenty million crore rupee worth and nab and book hoarders, blackmarketeers, speculators and market manipulators, inflation will continue to mount up spurt in prices, mentioned Comrade Mukherjee. Massive resort to deficit financing or raising funds through market borrowing to make good shortfall in earnings constrained by lowered revenue

Contd. on page 8

Bunkum of Growth

Contd. from page 1

enough, a large trade surplus (export overtaking import) with the US notwithstanding poor export of textiles, leather, manufactures and handicrafts. A careful reading between the lines unravels the mystery when it is reported that export of services comprising in the main software, business services and communication grew by 32.1% ($76.2 billion in 2006-07) and constituted 60% of the merchandise exports in 2006-07. But we know that this euphoria centering around export of 'outsourced' order of IT-enabled services is bound to be temporary since this sector is completely dependent on international price quotes and fluctuating need of support requirement. If any other country today gives a better price (read lower price) to US business houses now placing orders with Indian firms, at one stroke there will be flight of 'outsourcing orders' out of Indian IT sector. Otherwise, to match competition, Indian companies will have to bring down prices that will reduce value of the export and entail job loss because of downsizing. In fact, there is also mounting discontent among US workers who have been losing jobs because of large scale outsourcing to India. It can not be ruled out that under public pressure, the US government might be compelled to curtail the volume of outsourcing as well. In that case, all positive growth outlooks, confidence sounded on sustained spurt in economy will be in total shambles. ES has already reported fall in the rate of service exports in April-September 2007 because of decline in value of non-software services like business or commercial services. So it might only be a matter of time before the balloon is pricked.

Health and Education

The spectacle is equally grim if not horrific on the health front. Figures on indicators like under-five mortality and maternal mortality rates show India's position to be worse. Vector-borne diseases epidemics are not under control. Malaria, filarial, kala-azar, encephalitis, dengue, cholera, small pox and chikungunya are registering alarming rise. Polio and enteric disease are staging a comeback. Basic services like drinking water and sanitation elude the majority. The state-run hospitals are in a veritable mess. Rural health centers exist only in the paper. In spite of this abysmal health index, the centre and state spending on education is only 1.39% of the budget. But in suggesting the corrective steps, the Survey cleverly confined itself to only preaching of some oft-repeated sermons that sound like truisms if not prattles. Its emphasis on health insurance leaves one to guess if the objective is to mimic the US model of tagging public healthcare to private insurance that has proved a nightmare for the common US citizens who land up paying huge premium only to find later that most of the diseases or treatments are not covered by the policies.

In their Common Minimum Programme document, the Congress-led UPA and its pseudo – Marxist allies had pledged to raise spending on education to 6% of GDP. But despite imposition of 2% education cess in 2004-05 and an additional cess of 1% in last budget, it is yet to touch even 3% of GDP. Survey acknowledges that the 86th constitutional amendment making education a fundamental right for all between 6 and 14 years has not been enforced since the enabling Right to Education is yet to be enacted. But the Survey is conspicuously silent on the quantum of school drop outs, learning outcomes, teacher-student ratio, insufficient number of schools, pathetic condition of school buildings, exhorbitant fee hike, imposition of capitation fee, unscientific syllabus, extended paw of commercialization and low enrolment rates for higher education since that would at once reveal the rickety skeleton of education in the country.

Price front

On the other hand, the Survey in order to offset negative impact of the aforesaid observations rather bluntly made some averments which to any discerning mind would appear ludicrous and preposterous. After admitting that domestic prices have indeed been impacted by international price shocks, the Survey in the same breadth and without any qualms boasted of having 'maintained price stability and reduced the impact of increase in global prices on domestic consumers' through 'close monitoring of prices and appropriate policy interventions'. This is indeed a cruel joke on the common people back-broken due to skyrocketing of price of each and every commodity of essential use and assailed by ever depleting income. Even bourgeois columnists in their analyses could not but confess that rice, tur dal, groundnut oil and mustard oil are all anything between 13% to almost 30% more expensive now than a year go. Similarly, milk prices are progressively going up despite rapid increase in supply. The Survey added that 'India almost became self-sufficient in foodgrain and there was hardly any import during 1976 to 2005-06 except occasionally'. But in what way did it benefit the common masses? Did they get the same in sufficient quantity at affordable price or prices continued to soar and supply constrained? Just last year, India exported huge quantity of wheat and sugar to fill the coffers of the big dealers mostly connected with the monopoly houses and then imported back the same items at exorbitant price when international market shot up forcing the end consumers to shoulder the burden by paying through their nose. The Survey admits that aggressive buys by private players whom the government allowed to jump in the market by amending the APMC act in 2005 was among the key reasons for its inability to procure enough staple foodgrain for its sagging buffer stock and hence the compulsion to resort to expensive wheat import. It is also not unknown that allowing massive speculation over foodgrain prices on the stock market under the system of 'derivative trading' also contributed to jacking up the retail price. What kind of 'policy intervention' was it then? Now that foodgrain production in 2007-08 is slated to fall short by more than 2 million tones warranting imports at soaring global prices, what rosy a future awaits the hapless countrymen? Already starvation and malnutrition deaths have been spiraling at an alarming rate. What proportion would it assume then?

Per capita income

Next is the effusiveness over another parameter of substantiating 'growth', the per capita income. It is stated in the Survey that a pace of economic improvement has moved up so considerably in last five years as to almost double the average growth of per capita income to 7.2%. It is estimated to touch an all-time high of Rs 30,000 per annum. But what is there to be so elated about? Is this statistical average any indication of prosperity or a misnomer? If people are plagued by rising unemployment, falling income and galloping wretchedness as reflected in the marked decline of the demand market and the government in its desperate bid to suppress inequitable distribution of wealth is parroting need for 'inclusive growth', how does the statistical mean of total income bear any meaning? A few days back, the union minister of panchayet raj and youth affairs revealed in one of his talks that there are 836 million Indians who live on less than Rs 20 per day and a huge number live on less than Rs 9 per day. Pointing out this, he confessed that "India is becoming prosperous, not Indians." Just the other day, it came to light that among first ten richest individuals in the world, four are Indians and their combined wealth is somewhere around $160 billion. If the assets of another nine individuals who feature among the first 200 rich in the world, it would be observed that the total wealth of these 13 tycoons is $250 billion i.e. 25% of country's gross GDP which is estimated to be $1.16 trillion (Rs 47, 00,000 crores). It is further revealed that income of 53 rich individuals constitute 31% of national income of India while in US 469 rich men command 11% of their national income. This clearly indicates how inequitable distribution of wealth in India is. Even the Prime Minister could not keep the reality under carpet and commented that, "Benefits of growth have not filtered down equally to all." (ET, 1 March 2008)

This concentration of huge wealth in the hands of few monopolists, galloping pauperization of the toiling millions and widening gap between the rich and the poor—inevitability in capitalist economic system—never finds expression in so-called calculation of per capita income. Rather, it distorts the reality and projects an utterly false picture to confuse public mind.

Prescriptions of Economic Survey—foster 'reforms'

Making a significant departure from the past, the Survey this time has made some recommendations as to what ought to be the direction of the budget. In keeping with the prescripts of capitalist globalization euphemistically called 'reform process' that calls for practically dismantling the government sector and handing over everything to private operators for running on

Contd. on page 3

Covering sores under gimmicks

Contd. from page 2

profit maximization basis, the Survey had urged the Finance Minister to concentrate among other things enhancement of work week from 48 to 60 hours, disinvestment oof PSUs, privatization of coalmines, oil fields and rail freight, private investment in nuke power, FDI in retail, insurance, rural-agricultural banksm and education and docontrol of sugar, fertilizer and drugs.

It is quite clear that instead of addressing the burning issues devastating people's life, the Survey was keen that liberalization and privatization run on a full scale to enable the profit-seeking capitalists squeeze out even the last drop of blood of the people at large. In this backdrop has been presented the budget for the current year and let us look at what it said explicitly, what it sought to make a noise about and what has been its implicit tone.

Budget 2008— waiving farmer loan

At the outset, the FM has made two important comments albeit in a very cunning manner. He said that the country's economy was poised for a high growth because of globalization and the own policies of his government. But for turbulence in the global economy spurred by escalation in the prices of fuel and commodity including food articles, it could have been a reality. Then quoting the Prime Minister he said that challenge lay in making 'swift adjustments in the policies to achieve the goal of growth with price stability'. He also hastened to add that 'management of the supply side of food articles will be most crucial task of the current year'. What has been sought to convey cleverly is that price stability is something contradictory to growth. Naturally, as primacy rests on growth, price stability could well take a back seat irrespective of what the government and its Finance Minister might say today. With some such introductory remarks and a candid admission of a 'sharp decline in the manufacture of consumer goods particularly consumer durables', he proceeded to announce a bunch of waivers, relieves, cuts and exemptions in tax and duties. The most pronounced among them has of course been the waiving of institutional loans to farmers to the tune of s 60,000. While loans granted by scheduled commercial banks, regional rural banks and co-operative credit institutions disbursed March 31, 2007 and overdue as on 31 December 2007 would be completely waived for marginal and small farmers, there will be offered a facility of one time settlement of similar overdue loans as well as amount unpaid till 29 February 2008 to the other farmers allowing 25% rebate.

Though there is much ado on the ruling circle and its periphery over this 'amnesty', a host of questions remain to be answered. In the Common Minimum Programme, the ruling dispensation had promised to "enhance the welfare and well-being of farmers, farm labourers and workers, particularly in the unorganized sector and assure a secure future for their families in every respect". But in reality, the peril and penury of the peasants constituting nearly 70% of the populace is compounding with every passing hour. They are fast loosing their land, marginal peasants getting converted into landless peasants and agricultural workers. The agricultural workers have no work. Starvation and malnutrition are the two loyal companions in their life. To seek work, the rural poor are rushing to the urban pockets and big cities only to die like cats and dogs by the roadside. Over and above that, the central and various state governments irrespective of hues pursuing the agenda of capitalist globalization of setting up Special Economic Zones by forcibly grabbing fertile agricultural land are now bent upon evicting thousands of peasants from their land and hearth. On the other hand, when the poor farmers disdaining all hazards and hassles are growing crops by borrowing money, they are denied remunerative prices of their produces thanks to the unholy nexus of manipulators, private traders, hoarders and government officials. So are they defaulters to the loans and overawed by deprivation and despair. The tortuous history of peasants' suicides says it all. According to The National Crime Record Bureau data from studies between 1997 and 2005, around 1.5 lakh farmers, on a very conservative estimate, committed suicide in the country with countless peasants abandoning agriculture (Times of India 1 March, 2008). Why the peasants often credited with a record of spectacular performance in increasing the output are in such a shocking state of indigence? Would the government instead of vending pretended concern for the peasants by highlighting much-hyped debt-waiver proposal answer this simple question? And such shedding crocodile tears on the eve of elections has been seen a number of times in the past.

Moreover, the waiver is for institutional credit. How many peasants have an access to that which requires compliance with a host of formalities including providence of tangible collaterals? Most of the peasants particularly the most impoverished knock at the local moneylenders for finance at mind-boggling interest. What about them? It is the middle peasants who avail of institutional credit and might get a one time waiver. Most of the peasants who committed suicide for not being able to repay bank loan belong to this category. In absence of mitigating circumstances, what is the guarantee that they would not face similar calamity in future after taking fresh loan? Next question is who is to assess whether such one time waiver actually goes to the targeted beneficiary. This is important as the FM is reneging with impunity on promises he made two years back on 'disclosing outcomes alongwith outlays'. In his budget speech he had to accept that enough attention is not paid to outcomes as to the outlays, physical targets as to the financial targets and quality as to the quantity. So it is clear that under public pressure and in order to salvage the sagging image of the his government on account of rising number of farmers' suicide, the FM in consultation with his Party echelons and Prime Minister declared one time debt relief no doubt. But in accordance with the law of capitalism now gasping in the phase of its third general intense crisis, the burden of this waiver the government is crediting itself of would be silently passed on to the common people through post-budget financial decisions.

Saga of off-budget financial adjustments

It is precisely for that the budget is totally silent about funding this waiver amount and the implications it would have on financial discipline. When asked to comment on the same, the FM during post-budget briefing quipped: "Credit me with some intelligence. We have done our homework. We will tell you when we do it." (The Telegraph 01-03-08) He then added, "We will find ways and means to provide equivalent liquidity (availability of funds) to the banks over a period of three years." But experts are confident that it is going to be financed out of the budget, through a combination of cash and bonds (loan raising instruments). This cash might well come from disinvestment of PSUs as the FM in his interview with the Times of India gave enough indications to this effect. " We will list the Central PSUs…one by one….Listing can happen in two ways—through an IPO (Initial Public Offering or first issue of shares for sale to the public in the market as part of privatization) or we can disinvest 5 to 10%." On the other hand, fresh market borrowings have been the easiest means for the government to garner resources as recovery of taxes despite all tall claims is never per target because of large scale evasion and default by big earners, both corporates and affluent individuals, in connivance with the corrupt government officials. Increased borrowings would entail more allocation for debt servicing (payment of interest) curtailing public welfare expenditure. As we have seen, fiscal announcements and many other monetary policies are now often taken by means of administrative fiats bypassing the parliament. Such 'off-balance-sheet' numbers contain the real truth about the debit and credit of the government ledger. Incidentally, while estimating budget expenditures, the FM, for reasons better known to him, chose to completely overlook the fact that Sixth Pay commission is likely to have a major impact on government finances.

The FM has taken pride in better management of Fiscal Responsibility and Budget Management compulsions (narrowing the gap between receipts and payments or in other words, reducing the budgetary deficits) by referring to numbers. At the same time, he has confessed that "significant liabilities of the government on account of oil, food and fertilizer bonds are currently below the line….our fiscal and revenue deficits are understated to that extent." Among the 'off-balance sheet expenses of the government are such numbers as securities issued to the Food Corporation of India (2006-07) of Rs 16,200 crores and oil bonds amounting to Rs 19,

Contd. on page 4

Economic offenders and black money holders remain untouched

Contd. from page 3

150 crores. The Economic Advisory Committee to the Prime Minister is stated to have rued the fact that these add up to about 1 to 1.5 % of the GDP. Other sources estimate the percentage to be around 2. One would recall that in 2006-07, the gross fiscal deficit was estimated to be around 3.8 % of GDP. But when such 'off-balance sheet' effect was considered, it shot upto nearly 6.4%. This year also, just before the budget, the domestic retail tariff of petrol-diesel was hiked and the concomitant effect not impounded in the budget. The off-balance sheet items would be integrated quietly later bypassing the parliament when the electoral exigencies mandating an apparent populist gesture would cease to be in vogue.

There is another angle to such 'fictitious' entries. The government has asked public sector oil companies to import oil at a high price and sell it cheap. The 'loss' (read marginal decline in profit) incurred by the oil companies is being made up by purchase of bonds by the union government. The bonds appear in the books of accounts of the union government as assets while they are truly items of expenditure. This strategy would now be extended to the banking sector. Against writing off loans, they might be provided increased liquidity, say by the reduction of cash reserve ratio (amount of cash scheduled banks have to compulsorily keep with the Reserve Bank) or other stratagems. Impact of such 'off-budget' measures does not get reflected in the annual report of economy presented in the budget speech. Compelled, the FM this time admitted that such sums do remain hidden.

Moreover, if eligible farmers avail of the OTS to the tune of estimated Rs 10, 000, the banks would get a total tax benefit of Rs 20, 400 crores (33.9 % tax break on written off loan). If OTS benefit is not availed of, tax benefit accruing to the bank would be around Rs 17, 000 crores leaving Rs 33, 000 crores uncovered. In other words, government would need to reimburse a much lesser amount than Rs 60, 000 crores by market borrowing or disinvestment of PSUs and at the same time bear with a lowered tax revenue otherwise due from the banks—a camouflage that would remain behind the curtain while the union government would be basking in glory on the sidelines.

Reason behind raising personal income tax slabs

It is true that daring not to turn down the growing demand for lowering of personal income tax particularly with election in the offing, the FM has raised the slabs and reduced the rates marginally. Surely, this will give some relief to the middle and a section of the upper middle class. But that is not the only reason. "My tax proposals on direct taxes are revenue neutral" claimed the FM in his budget speech and in course of his interviews with the press, he clarified, "On paper, there is a revenue loss… But people will be more compliant (in paying tax), therefore there will be no revenue loss." But then he spelt out the real reason. "Today, there is slag capacity… industrial growth has come down…Consumption is flagging. We need to stimulate demand". When asked to indicate where the bulk of the additional income of the tax payers due to exemptions was likely to go, the FM said "I would like people to save 50% and spend 50%." When these comments are seen in conjunction with the fact that demand for consumption goods is on the wane posing danger to the manufacturers, it would immediately remind one of what John Maynard Keynes, the well known bourgeois economist prescribed during the great depression of world capitalist economy in the thirties. He wanted that at any cost some money had to be pumped in the hands of those who would buy industrial produces at least to the extent the concerned industries could have a sigh of relief. Similarly, the Indian FM, a custodian of moribund decadent capitalist economy now enmeshed in still deeper a crisis, is making a frantic effort to somehow increase the purchasing power of the upper end of the middle class nurturing typical consumerist mentality so as to fuel demand though classical economics warns of inflationary trend in such an event. This is the double whammy of crisis-ridden capitalism. If it begets maximum profit to the capitalist owners, people are squeezed of their buying power and withdraw from consumption market entailing market crisis. On the other hand, if it cuts tax, discourage saving and provide liquidity to the consumers, government lose revenue and capital formation through thrift suffers. Market crisis compels the capitalist owners to shut down factories as their objective of profit maximization is not fulfilled. But, downing shutters on the industries throw out labour out of job and this earning segment in absence of income cease to be buyers of goods intensifying the crisis further for the owners.

Duty cuts and lowering of indirect tax rates

The position is no different in case of duty cuts. From their experience, people know that whenever an additional duty or levy is imposed, the burden is squarely passed on to the end consumers in the form of increased retail price. Conversely, benefit of a duty cut or abolition of levy never accrues to the common consumers but the owners. Under the plea of giving fillip to the industry, the FM has announced a plethora of duty reductions. But he is on record to have said, "Behind every exemption, there is a powerful lobby."(Times of India, 2 March, 2008) Already, opinions have been expressed in the columns that 2% Centvat (Central value added tax) cut across the board might make goods cheaper but might serve more as cushion to hold prices as input costs continue to rise. 8% duty reduction on specific packaging of soaps, detergents and toothpastes is slated to result in 2-3% cut in costs of these items. However, monopoly houses like Godrej Consumer Products and Henkel have stated that the impact is too marginal to be passed on to the end consumer. Similarly, the duty cuts on pharmaceuticals would hardly impact retail tariff as most of the big drug companies like Ranbaxy, Cipla and Sun Pharma manufacture products in tax-free zones. The so-called revenue loss to the tune of Rs 5,900 crores concomitant to these duty pruning would thus be absorbed in the profit figures of the manufacturers. On the contrary, it is already made clear in the media that increase in excise duty on bulk cement and cement clinker will be passed on to the consumers. However, in certain specific sectors like small cars, there could be marginal price cut to induce the middle class opt for four wheelers if necessary by availing external finance so that there is a boom in this industry through engineered arousal of an otherwise non-existent need in the targeted consumers. So though the industry has something to cheer, the consumers do not. Rather, they need to be apprehensive of another run on their pockets as the government who finds it extremely convenient to garner resources through service tax route intends to widen the net further. But the FM is not inclined to reveal what is up the sleeves lest it dampens the 'buoyant' mood. So he said in his budget speech, "I do not wish to burden the House with the same (miscellaneous changes in the arena of service tax)." Apart from these, an avalanche of concessions is in the offing for the corporate sector and monopoly houses in the proposed SEZs through tax holiday route and so forth. The business lobbies thus extract what they need from the government but not the common masses bereft of high-profile lobbying power.

Budget deficits—Black money, NPA, Defence allocation

The FM has tried to take credit for pegging the revenue and fiscal deficits within estimated range of 1.5% and 3.3% respectively through prudent discharge of fiscal responsibility and efficient budget management. Defending the reason for continued revenue deficit, he said that such is on account of "conscious shift of expenditure in favour of health, education and social sector." We have already shown above what paltry a sum is earmarked for such sectors of public welfare and the nub of the question is around implementation. One is aware that the money is hardly used for the targeted purpose but pilfered in a corruption-packed administration. An interesting sidebar is the comment from a packaged food manufacturer that mid-day meal allocation would provide him with an excellent market opportunity. And no less corrupt is the very claim of efficient fiscal management. Economic Survey points out that revenue expenditure exceeded budgeted amount by 5.4% in 2006-07 while capital expenditure fell short of the budgeted amount by 9.3%. And the FM who boasted of pruning budgetary deficits himself acknowledges that "significant liabilities of the government on account of oil, food and fertilizer bonds are currently below line… our fiscal and revenue deficits are understated to that extent." (*Economic Times*, 1 March, 2008) Hypocrisy par excellence!

In our analysis of budget last year, we had pointed out that the stated shortfall in government's

Contd. on page 7

Independence of Kosovo

Increases fragmentation of Balkans, deepens imperialist strangulation

Recent "declaration of independence" by Kososvo, a province in the constituent Serbian Republic (now called Serbia-Montenegro) of the erstwhile Federation of Yugoslavia, formalizes the heinous conspiracy of Western imperialist powers led by the US-imperialists towards totally dismembering and fragmenting that country. Kosovo had been a centre of Serbian national identity, but with a growing Albanian population.

The US imperialists immediately recognized Kosovo followed by Germany, Britain and France. Western mass media was euphoric. Both the print and the electronic media were flooded with pictures of overflowing people in the main thoroughfares of capital Christina beaming with glee and holding aloft the US national flags in their hands. They termed the declared independence of Kosovo as the victory of ethnic Albanians and Kosovo Liberation Army (KLO) signaling the burial of last vestiges of oppressive rule of the late president Slobaden Milosevic over Yugoslavia, which, incidentally, came with 70000 NATO occupying troops stationed in that soil. On the other hand, furious Serbian people ran amok with fire in the US embassy in the capital Belgrade. Several European countries including Greece, Spain, Cyprus, Slovania, Bulgaria, Romania, Serbia and Russia have vehemently opposed Kosovo's independence. The last two countries have taken the issue to the Security Council.

Kosovo stands as a glaring example of how nakedly the imperialists violated, and violate, any and every treaty or international agreement, including even those to which they themselves had been party. The hasty recognition of Kosovo is in direct violation of the UN Security Council Resolution No.1244 which the leaders of Serbia-Montenegro were forced to sign to end the 78-days of US imperialists-led NATO bombing of their country in 1999. Even this specific imposed agreement affirmed the "commitment of all Member States to the sovereignty and territorial integrity" of republic of Serbia, of which Kosovo was an integral part.

Treachery and deceit of imperialists were, however, nothing new to the people of this Balkan region of Europe. Since long and before establishment of Socialist Federation of Yugoslavia formed after World War II, the region was very backward economically, socially and culturally, tottering with colonial exploitation, poverty and all such accompanying maladies being subjugated by the Ottoman Turks and the Austro-Hungarian Empire at different times. The Ottoman Turks were finally defeated in the First World War in 1918 and Yugoslavia emerged as a multinationality state of Federal Republic of Serbia, Bosnia, Montenegro and Macedonia.

A fierce anti-fascist resistance movement under the leadership of the Communist League of Yugoslavia led by Marshal Tito, against the Hitlerite Nazi German forces culminated into foundation of the Socialist Federation of Yugoslavia after the Second World War. In the resistance movement as also after liberation in building the new socialist federation, all the hitherto feuding nationalities of the country fought united and acted in increasing harmony and unity. In course of this, Yugoslavia also developed from an impoverished, underdeveloped, feuding region into a developing country with a fairly stable industrial base, full literacy and health care for the whole population.

Degeneration of united socialist Yugoslavia helped imperialists to play upon nationality conflicts

However, Tito subsequently deviated basically from Marxism-Leninism and proletarian internationalism so much so that he had to be expelled from the COMINTERN, the international communist leadership, way back in 1948. He succumbed to reformism and finally revisionism. With Tito's downfall, counter revolution finally overtook the socialist state of Yugoslavia, which degenerated into a capitalist multinationality state. Not just in political field, capitalism was restored even in the base, that is the economy. Fertile ground was prepared for nationality problem and conflicts built thereupon to raise their ugly head again, with regional aspirant capitalists of different nationalities providing instigation to these divisive tendencies. The powerful authority of Tito could keep them down under. But at his death, the decay gained further momentum. Coinciding with it, was the counter revolution in the erstwhile Soviet Union and debacle of the socialist camp. All this together softened the ground further for the imperialists to take advantage of the situation and play upon the fissure widening with regional capitalist of different nationalities buoying up for power, leading finally to a break- up of Yugoslavia. In 1991, while world attention was focused on the devastating U.S. bombing of Iraq, Washington encouraged, financed and armed right-wing separatist movements in the Croatian, Slovenian and Bosnian republics of the Yugoslav Federation. Slovenia, Croatia and Macedonia, all declared their independence in 1991; Bosnia and Herzegovina in 1992. In April 1992, Serbia and Montenegro announced the formation of a new Yugoslav Federation and invited Serbs of Croatia and Bosnia-Herzegovina to join. In violation of international agreement, Germany and the US gave quick recognition to these secessionist movements and approved the creation of several mini capitalist states. To drive the last nail to the coffin by fragmenting Serbia-Montenegro of former Yugoslavia, the US imperialists began provoking nationality conflicts in Kosovo, a province of Serbia. They started arming and financing of the right-wing UCK movement in Kosovo, inciting the Albanian population in an otherwise centre of Serbian national identity. They let loose a wild propaganda campaign claiming that Serbia was carrying out a massive genocide against the Albanian majority in Kosovo. The Western media was full of ghastly stories of mass graves and brutal rapes. US officials claimed that between 100,000 to 500,000 Albanians had been butchered. Forensic teams from 17 NATO countries organized by the Hague Tribunal on War Crimes searched US-NATO occupied Kosovo all summer of 1999 but found a total of only 2,108 bodies of all nationalities. Some had been killed by NATO bombing and some in the war between the UCK and the Serbian police and military. They found not one mass grave and could produce no evidence of massacres or of "genocide." This stunning rebuttal of the imperialist propaganda came from a report released by the chief prosecutor for the International Criminal Tribunal for the former Yugoslavia, Carla Del Ponte. It was covered, casually without importance, in the New York Times of November 11, 1999. On the other hand, before the allegations were proven right, the then Clinton administration of USA and NATO officials issued an outrageous ultimatum that Serbia immediately accepted military occupation and surrendered all sovereignty or faced NATO bombardment of its cities, towns and infrastructure. When the Serbian Parliament voted to refuse NATO's demands, the bombing began. In 78 days of naked aggression, the US imperialists dropped 35,000 cluster bombs, used thousands of rounds of radioactive depleted-Uranium rounds, along with bunker busters and cruise missiles. Kosovo and its population for whose liberation the US-imperialists were crying hoarse to cover up their design of occupying the land, received the greatest destruction. At the same time U.S. finance capital imposed severe economic sanctions on Yugoslavia to bankrupt its economy. The NATO was projected and promoted as the only force able to bring stability to the region. Finally on June 3, 1999, Yugoslavia was forced to agree to a ceasefire and the occupation of Kosovo, cease-fire terms having been brokered by Russia with more than 75,000 permanent NATO troops being stationed under the flag of the UN in Kosovo. With declaration of independence by Kosovo, overall US domination over the Balkans, has been strengthened. Seeds of imperialist conflict, however, still exist, centring around the years-long contradiction between the German and the US imperialists to extend their sphere of influence in the region.

Imperialist machinations behind Kosovo independence

But even this so-called independence of Kosovo could not be termed anything more than the outcome of imperialist machinations. Negotiations on Kosovo's final status was entrusted with the former Finnish President Marti Ahtisaari appointed by the then UN Secretary General Kofi Annan in 2005. Ahtisaari was the chairman of an organization (ICG) which was funded by multi-billionaire George Soros and which promoted NATO interests in the region with two members of its

Contd. on page 6

Independence that enhances imperialist shackle does not deserve support : so warned Lenin

Contd. from page 5

Board being General Wesley Clark and Zbigniew Brzezinski, two key US officials responsible for bombing of Kosovo. The comprehensive proposal for Kosovo Status Settlement, as included in the US State Department Website, stated that Kosovo was going to be ruled by an International Civilian Representative (ICR), an official appointed by the US and the EU officials, like the Viceroys of the colonial days, with full power to overrule any measures, annul any laws and remove anyone from office of Kosovo and with full and final control over the departments of customs, taxation, treasury and banking. An European Defense Policy Mission and NATO will control foreign policy, defence, security, police, judiciary, all courts and prisons. The largest prison in Kosovo is at the US base, Camp Bondsteel, itself built by the US corporate, Halliburton. Here prisoners are held without charges, judicial overview or representation. All this makes it clear that there will not be even minimal self-government in independent Kosovo. Rather, it reduces the land to a semi-colonial state of the USA consolidating its last nine-year long military occupation in the heart of the Balkans, a region crucially and strategically connected to the oil rich energy resources of the Caspian Basin. It turns the cherished fatherland of the Balkan people into a soft launching pad of heinous imperialist designs, plunder and aggression. And what does this occupation already bring to the people of Kosovo? In these nine years, Kosovo has turned into a centre for the international drug trade and of prostitution rings in Europe with a staggering 60 percent unemployment rate and shut-down of the once humming mines, mills, smelters, refining centers and railroads of this small resource-rich industrial area. Its resources have been forcibly privatized and sold to giant Western multinationals. Over 250,000 Serbians, Romanians and other nationalities have been driven out of this Serbian province by the occupying US-NATO powers. Paradoxically, a quarter of the Albanian population itself, has also been compelled to leave Kosovo in search of job.

It is also being found that there is an attempt to cover up this imperialist design raising the questions of independence of nations or their right to self-determination. Some confusions are also being created. So it needs to add a few points on these issues.

Few relevant basic points

It must be added first that the question of national independence of a state is inseparably linked with the question of emergence of modern nation states. Such nation states emerged under the leadership of the newly emerging bourgeoisie, the capitalist class, first in the western world and subsequently elsewhere, only through intense struggle against the monarchy or feudalism. Each such state came up within a particular geographic territory thriving upon the urge to develop a common centralised national economy and uniting people cutting across nationality, ethnicity, language, religion or such other differences on the basis of a common feelings and ideology of nationalism and democracy. It was thus the days of bourgeois democratic revolution, the days of emergence and establishment of capitalist societies that founded modern states, marking a progress in the history of mankind.

But when the same capitalism plunged into crisis and gave birth to imperialism, the moribund stage of capitalism, the capitalists lost their progressive character and curbed democracy and independence both in their own countries as well as in the colonies they occupied. Lenin, the great leader of the Proletariat, in his unique contribution on how should the struggles for national independence be conducted in these colonies and semi-colonies, showed that in this era of imperialism and also of proletarian revolution, these struggles could not find success if and when lead by the national bourgeoisie. It was the task of the proletariat itself to lead these struggles to victory duly utilizing the role of the national bourgeoisie and other classes oppressed and subjugated by the imperialist rulers. So far, this invaluable teaching of Lenin remains an infallible guideline to the freedom-loving people and the revolutionaries on the questions of understanding characters of modern nations and national liberation struggles in this era of imperialism and proletarian revolution.

While judging the question of national independence it is also relevant to assess the right to self-determination of a nation in this era of imperialism. Here again, through his brilliant analysis Lenin made his fundamental contribution, leaving another invaluable guideline. While elaborating the conditions under which the working class lends its support to the struggle for establishing an independent state, Lenin held that the right of an oppressed nation to free itself from an oppressor nation is its fundamental right and is undoubtedly legitimate, just and inviolable. However, it must be free from any and every kind of influence of imperialists. And so he warned : Where the imperialist shackles become more secured instead of being torn asunder through self-determination, where this demand arises, under leadership of whichever class, at imperialist instigation, it not only does not deserve support but should be resisted at all costs. Thus, there may be movements, conducted by this or that section of the bourgeoisie, towards fragmentation of a historically developed large nation state on one or the other flimsy grounds. As the working class is fully aware, such movements, otherwise called secessionist moves only strike at the root of proletarian internationalism, creating positive and unwarranted hindrance to the development of fraternity and solidarity of common working people of different nationalities, communities or such others, essential for the revolutionary struggles for emancipation from exploitation. Hence the working class can never support such secessionist moves developed under the bourgeois leadership.

Kosovo instance in the light of Lenin's teachings

The so-called independence of Kosovo need be judged on the anvil of these guidelines from Lenin. In the yardstick Lenin set, the question of national independence of Kosovo does not stand reason. In the modern nation state of Yugoslavia, which emerged through united struggle of all its constituent nationalities, Kosovo was always an integral part. It was even just a province within a constituent republic of Serbia, with Serbian identity, though with growing Albanian population. On no ground can such a province enjoy the claim of the right to self-determination. In fact, the question was never raised in the Socialist federation of Yugoslavia. It was after Yugoslavia had been shattered into fragmental mini capitalist states that the demand for Kosovo came up, that too, at the machination of the US imperialists and the NATO. There might have been political torture on the ethnic minorities by the then Yugoslav rulers in the capitalist state of Yugoslavia. But as stated earlier, the imperialist claim of genocide has been miserably rebutted. At the same time, the political oppression did never take the form of colonial rule of the oppressive Serbian regime on the oppressed Kosovoites.

Lastly, it must be realized that whatever vestiges of achievement under socialism were there even after socialist Yugoslavia had been emasculated by its leadership going revisionist and finally bringing about counter revolution, the present developments are set to wipe out any and every shred of them. In all the small states developed through secession from the erstwhile Yugoslavia, of which they were all integral parts as constituent republics of the federation, in the name of attaining independence for people power has been assumed by the respective regional bourgeoisie with a view to consolidating the rule of regional capitals, naturally weaker and thus prone to falling easy victim to neocolonial exploitation of the imperialist powers, the USA and those of EU. It is now high time that the Balkan people, including those of Kosovo realize the menace of these imperialist machinations that have brought about fragmentation and disintegration of their nation state, reduced them to small, and naturally weaker, unstable, and impoverished semi-colonial or neocolonial states. The US imperialists lead the brigand, but their European cohorts are also not inclined to fall back in the pursuit of developing spheres of influence for exploitation and plunder.

So, it will be required from the exploited people of the constituent republics of the erstwhile Yugoslavia to develop firm unity among themselves and on such basis, to launch struggles against exploitation and oppression in their respective countries, and in course of that to give rise to such oneness and coordination that will pave the way to accelerate the revolutionary

Contd. on page 7

Blueprint of capitalist globalization

Contd. from page 4

earning is not due to granting tax benefits to the middle class and other sections of working people but because of the government's reluctance to tax the rich, the profit-making corporates, market speculators and others appropriately. With corruption now being 'institutionalized' at every sphere of governmental operation including tax administration wing, mega-invasion of tax and deliberate instances of defaults are either glossed over or pardoned. For example, the revenue foregone in 2007-08 (taking into account export related subsidies and exemptions) is to the tune of Rs 3, 37, 060 crores or about 58% of actual tax collections. The corporate world which netted Rs 5, 56, 190 crores as profits extracted a concession in tax worth Rs 58, 655 crores. Moreover, taking advantage of various exemptions and rebates, these corporates paid tax at the rate of 20.60% substantially lower than the statutory rate of 33.66%. Over and above, there are large financial scams often rocking the country and taking a heavy toll on the exchequer. No one knows how the government absorbed the loss of around Rs 33,000 crore in Telgi stamp scam and who were behind such a crime against the country. One would recall that the current FM holding the same portfolio in Deve Gowda ministry in 1997, instead of taking stern action against tax-frauds preferred to tread the path of amnesty by introducing Voluntary Disclosure scheme (VDIS) which openly exhorted upon the black money holders to reveal their possession without inviting any punitive action whatsoever. While asked to comment on that, the FM in his interview to the Times of India on 2 March, 2008, was blunt enough to say, "Who said the VDIS was a bad idea? Rs 30,000 thousand crore of unaccounted money came onto balance sheet. These are not amnesty schemes, these are sound economics. It is better to clean up rather than allow the dust to accumulate." What a novel way to rationalize acquiescing in economic offences of large operators and manipulators distorting the economy through large scale black money operation taking advantage of flawed policies of the government and administrative laxity. Unofficial estimation puts the figure of black money circulation around Rs 2, 00,000 crores, almost 1/3rd of the amount under budgetary governance (as per current budget, projected revenue receipt is Rs 6,02, 935 crores while revenue expenditure is Rs 6,58, 119 crores). Similarly, the government is totally silent on recovering huge Non-Performing Assets (NPAs or unrecovered loans on which even interests are not paid) with banks and financial institutions where the defaulters are mainly big business and corporates. While much bugle is blown over pretended benevolence to the defaulting farmers, these business tycoons and moneybags quietly get away with forfeiture of debts which is reportedly touching a figure of over Rs. 1, 50, 000 crores. After letting off these economic offenders, the government in order to finance the deficit opts for either market borrowings or printing of fresh notes the effect of both being disastrous for the economy. As already mentioned earlier, more the extent of indebtedness of the government, upward moves the debt servicing bill amount. In fact nearly 40% of the revenue expenditure goes in meeting interest payment obligations and the countrymen bears the brunt in the form of pruned allocation for social welfare and security areas. But allocation to unproductive defence kitty continues to be increased. Total allocation now is Rs 1, 05,600 out of a budgetary exercise involving around Rs 6, 00,000 crores. It is not known as to what happened to the funds allotted earlier. But this is done, as we know, to provide artificial stimulation to certain basic industries like steel, aluminum and others. To create justification for this increased allotment when common people are starving of basic needs, the ruling bourgeoisie and its subservient lobby continuously foment war psychosis and sustain a kind of tension in the border area. This is how the government shows its concern for aam aadmi (common masses) and pursues 'inclusive growth' agenda.

Unorganized sector

The facsimile of the *aam aadmi* plank would be further revealing if one peeps into the following lines of promises contained in the Common Minimum Programme (CMP) of the Congress-led government duly vetted by its pseudo- Marxist friends who then claimed to be providing "content and character of the government's policies" (vide editorial in People's Democracy, CPI (M)'s central organ, October 11-17, 2004). CMP promised to "enhance the welfare and well-being of farmers, farm labour and workers, particularly those in the unorganized sector and assure a secure future for their families in every respect." We have described the telling tale of the peasants in the foregoing columns. Now, let us turn to unorganized labour. According to what 'The National Commission for Enterprises in the Unorganized sector' brought out on 8 February last, in Maharashtra, one of the India's leading states, as against around 8.8 million workers in the organized sector, 39.9 million i.e. around 82% of the working masses (2004-05) are in the unorganized sector deprived of job income and social security. As usual, the budget ended its obligations by announcing three insurance and pension schemes albeit subject to enactment of the proposed unorganized Sector Workers' Social Security bill, 2007. Our experience says most of these bills remain on paper as intended beneficiaries continue to languish in the state of deprivation. Further, with more SEZs in the offing, flagrant violation of Minimum Wages Act by the employers and Economic Survey strongly pitching for raised working hours, one could presume what is in store for this huge workforce in the days

Budget aims to mitigate capitalist market-crisis

On all counts, this budget has been an arduous exercise on the part of the government, its Prime Minister and Finance Minister to find some way to mitigate the intense market crisis of the ruling bourgeoisie camouflaged behind populist overtures, deliberate omissions, suppressions and distortion of facts to hoodwink the masses groaning under the yoke of ruthless capitalist exploitation. Right from the day the Soviet Union and the socialist camp got dismantled following revisionist conspiracy aided and abetted by the imperialist-capitalist camp, world imperialism-capitalism unbridled in the unipolar world embarked upon the doctrine of Globalization-Liberalization-Privatization. This vile doctrine projected by the exploiting capitalism-imperialism as a new social order to deceive the people worldwide called for integration of world capitalist market through removal of tariff barriers and such other preventive regulations, opening up all government sectors including public utility services like education, health, power, water supply to private operators for being run on commercial basis and extending all concessions and tax exemptions to private monopolists and MNCs for reducing cost of production as well as giving them a free hand to invest in select few capital-intensive high-tech sophisticated industries to mint maximum profit wringing out even the last drop of blood of the people. They were also allowed to close down any running industry on the pretext of loss making, retrench workers, flout and amend labour laws to their advantage and so forth of course under the slogan of 'growth and development'. The role of the government was sought to be reduced to a significant extent particularly in regard to monetary matters. All governmental controls over financial activities were being gradually phased out in the name of liberalization and market-economy. The severe market crisis world imperialist-capitalist economy had plunged in which this so-called reform process intended to circumvent was not because of any external reason but owing to the economics law endemic of the system that we explained in brief earlier in this article. Hence, despite all such formulations and temporary euphoria over degeneration of former socialist states back into capitalism, the crisis did not wane but accentuated. Comrade Shibdas Ghosh, founder General Secretary of our Party and one of the foremost Marxist thinkers of the era, in course of concretizing Marxism-Leninism on Indian soil and thereby developing, enriching and elevating the understanding of this penetrating ideology to a new height, had shown long back that every planning of the

Contd. on page 8

Independence of Kosovo

Contd. from page 4

struggles for overthrowing the capitalists newly installed in power and for ending US imperialist domination in one and all of these countries.

(Facts used here are acquired from a write-up in Workers' World of February 21, 2008 written by Sara Flounders, Co-Director of the International Action Centre, USA, who had travelled to Yugoslavia during the 1999 U.S. bombing and reported on the extent of the U.S. attacks on civilian targets.)

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Union Budget 2008

Contd. from page 7

ruling bourgeoisie round the world is associated with a shadow of crisis. In its attempt to come out of one crisis, it plunges into an even deeper crisis. In fact it is enmeshed in a daily, hourly crisis from where it has no escape.

Comrade Ghosh's analysis is being amply vindicated today. US, the chieftain of world imperialism-capitalism and stated to be the strongest economy in the world is in the grip of a severe recession. Massive militarization of economy, perpetuation of local and partial wars, and accentuation of neo-colonial exploitation including occupation of foreign territory by flexing military might could not provide any succour to US imperialism in overcoming economic catastrophe. Demand for consumer goods is falling. Inflation is on the rise. Unemployment is mounting. Just in February last, 63,000 people lost their jobs. In course of stimulating middle class purchase of housing property by way of liberal extension of institutional credit, a mega-scale sub-prime crisis (huge default because of indiscriminate grant of loans to otherwise non-credit worthy persons) has broken out. In its frantic bid to salvage the position, the US government announced huge tax cuts and such other measures to augment purchasing power of the people. But that is depleting government treasury which is already constrained by shortfall in meeting its debt obligations because of diminishing reserve as well as less accretion of petro-dollars. It is a topsy turphy situation for US imperialism and the heat is felt by the imperialist-capitalist camp round the globe.

A close look at our budgetary proposals would reveal similar attempt on the part of crisis-ridden Indian bourgeoisie, inseparable part of world imperialism-capitalism, to wriggle out of the precarious position it is in. The FM in the opening lines of his budget speech could not but say that, "At the beginning of the year, the outlook for the global economy was benign." But then to divert attention he hastened to add that, "Our economy, thanks to our own policies as well as globalization, was poised to record another year of high growth." But the peril of his and his government in grappling with the crisis is no more obfuscated. Last year, in order to contain inflation, he preferred to soak liquidity from the market and boosted savings. But as that boomeranged in the form of fall in demand particularly for consumer durables, this time he advocates pumping in more money in the hands of the tax paying individuals through lowering of slabs and rates. In order to enlarge the foreign currency kitty and project Rupee as a strengthening currency, he last year ensured that there is increased inflow of foreign funds in the Indian capital market in the form of portfolio investment by Foreign Institutional Investors (FIIs). Since, this increased inflow has been mostly in dollars, rupee appreciated in terms of dollar. But that severely affected exports as foreign importers of Indian goods dealing in dollars found the prices shot up (as against getting goods worth 47 rupees a dollar, they now get goods worth 40 rupees a dollar). Like US, there is also too much activity in the realty sector (a new destination of surplus capital in the hands of the owning class) in India and in order to finance middle class households for acquiring housing, loan windows are propping up in abundance. But, the outcome is similar. Already, Indian banks are gripped with sub-prime crisis as has recently been the case with the charismatic ICICI bank. More might be in the pipeline. Yet the FM talks of continuing with such easy credit policy by allowing tax concessions on reverse mortgage etc. This is the vicious circle of capitalism — multiplying chain of crises with increasing intensity.

Intention of the Government laid bare

If the government had an iota of concern for the people, it would have sincerely tried to improve the income of the rural poor and peasants by taking appropriate measures to ensure easy availability of seeds, fertilizers, irrigation water and cold storage facilities, remunerative prices for the produces and so forth through appropriate policy intervention. Fiscal policies should have been so framed as to contain profiteering by unscrupulous quarters, stop hoarding and black marketing, unearth black money and bring a tempo of industrial activity in the truest sense of the term by setting up permanent gainful employment-generating industries in the state sector and thereby improving the real income and purchasing power of the common people.

But the Congress-led CPI (M)-backed government is not cut out for that. As trusted obedient servant of the ruling Indian bourgeoisie, it is pledge-bound to carry out the class interest of its masters which calls for further squeezing of the people and ensuring an overflowing coffer of the rulers. We have indicated above the course of action prescribed by the Economic Survey which the Prime Minister held as the "blueprint of what they would like to do." (*Economic Times* 1 March, 2008). People must realize this camouflage and chicanery and organize themselves in well-knit movement to resist such economic and fiscal savagery on them.

SUCI flays union budget 2008

Contd. from page 1

collection and tax evasion allowed and abetted by utterly corrupt administration also contributes in pushing up inflation and causing otherwise avoidable huge drainage on public exchequer for debt servicing etc., added Comrade Mukherjee.

Comrade Mukherjee also drew attention to the fact that of late there has developed a new deceptive practice to take and implement important finance-related decisions through administrative fiats bypassing the parliament and avoiding the budget route. By declaring at the outset that the budget is aimed at vigorously pursuing the reform process, added Comrade Mukherjee, has made a covert reference to the hidden agenda of his government of subserving the rich and pauperizing the poor to power a comeback in the next election with the blessing of the ruling class. Comrade Mukherjee called upon the countrymen not to be carried by the stunts and emollient words of the political agents of the ruling exploiting bourgeoisie and close their rank to rise up against the spruce up exercises like presentation of a maneouvred budget.

SUCI condemns RSS-VHP-BJP vandalism at CPI(M) office

Strongly condemning the vandalism resorted to by the RSS-VHP-BJP combine at the central office of the CPI(M) in New Delhi yesterday, Comrade Nihar Mukherjee, General Secretary, SUCI in course of a statement issued on March 10 said that such acts only clearly reflect the fascist bent of mind inherent in them. He, therefore, demanded stringent punishment of the perpetrators of this reprehensible act.

At the same time referring to the recent developments in Kannur district of Kerala, Comrade Mukherjee also criticized the CPI(M) for its muscle–flexing attitude against its political opponents and urged its leaders to desist from taking recourse to such outright anti-democratic, disastrous course of action.

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