

# Proletarian Era

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## A fascist attack on democracy

### Blanket ban on wall writing and poster pasting in elections

On the eve of the assembly elections in the four states, the Election Commission (EC) has come out with a "model code of conduct for the guidance of the political parties and the candidates". Clause 6 of Article 1 of this model code stipulates that "no political party or candidate shall permit its or his followers to make use of any individual's land, building, compound, wall, etc. without his permission for erecting flag staffs, suspending banners, pasting notices, slogans." It may be added that there is already an

order prohibiting use of any building or wall of government or semi-government organizations for such purpose. With this new directive, the jurisdiction of the ban is now extended even to civilian sites. Though the EC has said that prior permission of the owner is to be obtained for use of his premises or wall, it obviates to say no one, in the context of present day election politics dominated by muscle flexing of the power that be, would dare to accord such approval by going against the wishes of the ruling party. Thus it will

virtually be tantamount to denying the opposition, particularly the genuine representatives of the people's cause, the hitherto existing opportunity to undertake election campaign through posters, banners and wall writing.

#### West Bengal government invokes emergency period black act to oblige Election Commission

The Election Commission has directed all the state governments to enforce the directive. But

*Contd. on page 2*

## UNION BUDGET: 2006-07

### Utterly deceptive and naked servitude of capitalist globalization

Annual Budget is expected to address the basic economic issues in the country, reflect the true picture and spell out specific objective measures to tackle the economic problems confronting the people. Distribution of resources through budgetary allocations must also be grounded on the principles of social justice even in a bourgeois state. But "chickenary" is too mild a word to describe the union budget, 2006-07 placed by P. Chidambaram, the foreign educated finance minister of the Congress-led CPI(M)-backed UPA

government. Cunning as he is like any other self-seeking bourgeois politician, shameless pursuit of capitalist globalization has been well disguised under plethora of sweet-coated claims of growth and development buttressed by customary presentation of figures and usual pretensions of overflowing eagerness for poverty alleviation, Bharat Nirman (Building India), etc. While commending the budget in the parliament, he, inter alia, commented that, "As the year draws to a close, I look back with satisfaction that the

promises made to the common citizen – the aam admi – have been substantially redeemed". And to buttress how have he and his government honoured the commitment to the common people, he has only presented certain mundane figures like GDP growth, increase in gross domestic savings and capital formation. Then he declared that in the days to come, "Growth will be our mount; equity will be our companion and social justice will be our destination". Let us now proceed to see how

*Contd. on page 4*



Anti-Bush demonstration in New Delhi on March 1, 2006 being addressed by Comrade Krishna Chakraborty, Member, Central Committee, SUCI

# Forms of expressing opinion, propagating thoughts, ventilating grievance evolved through people's struggle

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before others could read and respond, the CPI(M)-led West Bengal government became hyperactive in obliging the E.C. and invoked the provisions of most hated West Bengal Prevention of Defacement of Public Properties Act, 1976, passed during the dark days of Emergency by the then Congress government of the state. Section 5 of the said Act entrusts the state as the competent authority to take necessary steps to "erase any writing, freeing any defacement or removing any mark from property" while Section 6 of the Act clarifies that the provisions shall "have effect notwithstanding anything to the contrary in any other laws in force for the time being." The Act prohibits graffiti or display of posters on walls, buses, trams, buildings, huts, trees, fences, posts, poles or any other structure even if there is no objection from the owner of the sites and its application is not restricted to elections only but for good. Obviously the provision of the Act which was promulgated in keeping with the then censorship imposed on any kind of expression of independent opinion and throttling the voice of dissent, are more stringent than the E.C. edict. Even the CPI(M) and the Congress have found in each other bosom pals and are trying to occupy larger space in the corridors of power, the CPI(M)-led government has turned 180 degrees in enforcing the same black Act of the 'semi-fascist' regime with unusual haste to secure a certificate of merit from the E.C., a quasi-government organization in capitalist India. The other state governments have also swung into action to strictly implement the command of the E.C. This is a severe blow on the legitimate democratic movement of the people

## Postering, wall-writing emerged as aesthetic expression of people's struggle

This grave attack on people's democratic rights has not come all on a sudden but in sequence within the current stage of bourgeois democracy. It is to be borne in mind that the democratic rights like the freedom of speech, right to express ideas and opinion have not been clutched out of the thin air. The toiling people had to struggle hard to earn these rights. Gruelling under

feudal oppression, the toiling people craved for emancipation. It was in recognition to this social urge for freedom that bourgeois democratic revolution took place in the West taking in its sweep the mortifying shackles of feudal system. As against the feudal doctrine of enslaving the people as subjects, the bourgeois social order, bourgeois democracy, as socio-political superstructure of emerging capitalist system, recognized the right of the people to voice their opinion, express their political viewpoints, join any political party in a multi-party parliamentary system and vote for any candidate of their choice in the elections. Thus the bourgeois democracy sought to establish that as against monarchical feudal system, it was a government by the people, for the people and of the people since the constitution of the government was by way of an election on adult franchise basis where all citizens had equal right to exercise their power of selection based on their free and fair choice. Similarly all the citizens as well as all the political parties were deemed to have equal rights to contest elections and communicate their political viewpoints, opinions and plans of action as well as criticisms of political opponents to the electorates at large. Opposition was granted an important role in bourgeois parliamentary democracy as criticisms, counter-opinions, healthy debates over issues were envisaged necessary to keep a check and balance in governance. Thus the people, in course of their struggle against obsolete feudal system to realize a higher social order had secured these rights to express opinion, dissent, criticize and protest.

In the process of development of bourgeois democracy evolved democratic movement as a form of ventilating genuine grievances of the people, raising their legitimate demands and expressing their rightful views and opinion. Democratic movement brought in its wake various modes of highlighting demands, grievances, protests and opinions. Slogans, posters, banners came to be recognized in this process as good effective forms of propagation of the message of democratic movement, as powerful weapons for airing genuine grievances of the people.

Subsequently the working class movement also began to crystallize on legitimate demands of the workers. Growth and accentuation of various class and mass struggles obviously entailed massive and extensive use of posters and banners as vehicles of communicating objectives, plans and programmes of these struggles. At some point, graffiti and wall writing also evolved as useful mode of such communication.

## Encroachment on and curtailment of people's right in moribund bourgeois system

But as with the passage of time, the ruling bourgeois class which during the days of its advent had conceded many fundamental rights to the people in order to establish the bourgeois democratic system by smashing the old decrepit feudal order, began to be embroiled in endemic crises of the system, lost its progressive role, entered decadent phase. It, haunted by the fear complex of anti-capitalist proletarian revolution, started systematic encroachment upon the hard earned democratic and political rights of the people, curtailing and robbing such rights one after another to muzzle voice of dissent, muffle slogan of protest and arrest expression of opposite views and opinions. More the capitalist system is becoming moribund, more the ruling capitalist class is getting isolated from the people, more desperate is the attack on these basic democratic rights and democratic movements. The same trend is visible in our country also. There is a persistent effort to curtail trade union rights.

Just the other day, we had seen that there was an attempt to snatch away the right to organize strike in protest of injustice and onslaught. Branding strikes and bandhs as anarchical act inhibiting development, the ruling bourgeoisie was out to dispossess the working people of this right earned through struggle. Next axe fell on meetings and processions. It was argued on behalf of the ruling bourgeoisie that rallies and meetings disrupt normal life and hence could not be allowed anymore. In both the cases, the judiciary, a part and parcel of the exploitative bourgeois state subserving the class interest of the oppressive bourgeoisie, was pressed

into action to enforce such bans. But our party along with the common people rose in protest and fought hard to stall the moves. Now it is the turn of posters and wall writing and the services of Election Commission, another arm of the bourgeois state machine, have been requisitioned for the purpose.

## Question of playing spoilsport to so-called beauty

The argument put forth in this regard is also paradoxically incredible. Posters, banners and wall writings disfigure the cities and habitats, spoil the beauty of the surroundings. Hence, these are to be prohibited. We have already shown that these forms of expressing ideas and opinions, solicitation of support in the hustings came to be recognized in the course of people's struggle for establishing truth, freeing life and livelihood from all aberrations and paving the path of progress and development of the mankind. Hence, slogans and messages conveyed through these forms reflected objective reality. And as Keats, the famous poet of the renaissance period, once observed, beauty lies in truth. Hence, posters, banners and graffiti which evolved and developed in keeping with the flourishing of various modes of upholding objective reality and truthful demands, propagation of thoughts and ideas, have always been considered by the people as pieces of beauty, marvel of creative art, vehicle of intellectual communication, aesthetic transportation of social and political thoughts. So they derived enjoyment, pleasure and mental nourishment from posters and graffiti. These never occurred to them as any sore in the eye but relished as cynosures. But now the quarters of vested interest are out to label these admired forms as irritations to the eyes of the beholder and hence warranting a blanket ban. Notably, these votaries of prohibiting posters and graffiti do not find anything objectionable when obscene commercial displays on hoardings and billboards crowd the public places, vulgar exhibition of female bodies, obnoxious film posters, distasteful advertisements on sexual diseases, array of dazzling neon signs of sensuous visuals surround every nook and corner.

*Contd. on page 3*

# Beauty lies in truth, not in vulgarizing truth

*Contd. from page 2*

What beauty then are they interested in, to restore for whom and at whose cost? What is the truth of the life of the common people gasping under the grinding wheel of ruthless capitalist oppression? They have no food, no shelter, no clothing, no hygiene, no means of earning. In fact, they are doomed to a subhuman life condition with death staring at them every hour, every moment. Even the sprawling metropolis are not just congregation of a few skyscrapers, posh buildings, multi-storied shopping malls, serpentine fly-overs and hypnotizing illuminations. The majority of the urban population dwell in slums or congested ghettos with no water, no sanitation, no civic amenities, not even a proper entrance. Overflowing drains, and gutters, heaps of garbage and filth, mosquitoes, flies, deadly insects, malaria, enteric diseases, black fever, measles are what these hapless people, unable to make both ends meet, co-habitate with in this era of mind-boggling development of science and civilization. When these toiling people in exercise of their right to express opinion want to give vent to their legitimate feelings and demands through accepted forms like posters and graffiti, they are held guilty of marring the beauty. When during elections, they, in exercise of their right to information seek to obtain political viewpoints, policies and principles, poll symbols of the contesting candidates from posters and wall writings, they find the avenues shut down in the name of preserving beauty. What a palpable flouting of the barest precepts of democracy and even the bourgeois concept of equity. How desperate the attempt is to apply cosmetics on the festering sore!

## Who stand to gain out of this order

Who would, by the by, benefit out of this E.C. order and how will it impact the prospects of the contestants? Common people of India are well conversant with how the elections are being conducted these days and who sneak into the legislatures through these hustings. A plethora of manipulations right from preparing voters' lists to casting of votes, free use of money and muscle power, booth capturing and false voting at gunpoint, naked partisanship on the part of the police-administration, threat, intimidation and above all, a well orchestrated

campaign in the monopoly-controlled media in favour of the parties or combinations endorsed and patronized by the ruling class to be saddled in power or don the colour of Opposition, decide the outcome of the elections. Naturally, the parties in the reckoning of the ruling bourgeoisie as faithful servitors of its class-interest starting from the Congress, the BJP, the regional and parochial outfits to the CPI(M)-CPI masquerading as Marxists as well as their associates surviving on the crumbs thrown at them do not have anything to loose. They would receive massive coverage in the monopoly controlled media, both print and electronic, as well as radio. Thus the class will ensure that it is only they who are in the evoked set of mind of the electorates remain in the fray and the choice is limited among them. Already, the media has started the overdoze of campaign in favour of them. Moreover, these parties enjoying blessings of the ruling class have enough resources to undertake election propaganda by releasing paid advertisements in newspapers, sponsoring TV capsules, providing their cadres specially designed epaulettes and aprons with names and symbols of their candidates embossed on those and so forth. Such expensive campaigns are already on in the states going to polls. It is for this reason that neither the Congress, the BJP, the Trinamul Congress, AGP, DMK, AIADMK or the CPI(M), CPI are reluctant to sound any discordant note to the Election Commission order. Rather, they have all agreed to obey the dictates of the E.C.

## Who are affected most

On the other hand, who would be affected most by this complete ban on wall writing and posterage: obviously, the toiling people at large and their vanguard, the genuine revolutionary party, the trusted soldiers of legitimate democratic movements upholding the cause of the people. Debarred from campaigning through the well-established forms that entail relatively less cost, the genuine representatives of people's interest would be seriously handicapped in the contest and the bourgeois media would deliberately black out them so that they go out of reckoning and cannot make it the legislature to reverberate people's voice, raise people's demands and integrate

parliamentary struggle with the extra-parliamentary struggle of the people. So it is a well-orchestrated ploy to cripple the force opposed to ruling capitalism bestriding the country like a deadweight and breeding all maladies and miseries in the life of the people, a nefarious design to muzzle the genuine voice of protest against the exploitative regime, a cunningly hatched conspiracy to destroy the very culture of democratic movement by snatching the right to express opinion. The bourgeois parties and the pseudo-Marxists are rather elated that with proclamation of such a ban, they will be in a tremendous advantageous position in containing the genuine revolutionary party, the SUCI, from being represented inside the House and thus not face any serious challenge to their anti-people policies within the legislature. In this connection, we recall one of the invaluable teachings of Comrade Shibdas Ghosh, our leader, teacher and guide, founder General Secretary of the SUCI and one of the foremost Marxist thinkers of the era. He said, "Although outwardly there appear to be many opposing forces in politics, and the press projects so many contending forces, but viewing the situation from the context of ultimate-struggle, I hold, only two contending forces are there in politics – one for revolution, the other opposing revolution – in whatever nomenclature might it be posed. One is the politics of countering revolution, whether by the Congress through its politics, whether by all the many juggleries of so-called leftism, or by proclaimed commitment to democratic socialism, or by raising various right reactionary slogans, and through politics of catchy stunts. And the other is the politics of organizing revolution." (Mass movement and tasks of the youth – SW.Vol.III,p-532-33)

## Lull in democratic movement helped promulgation of this black act

In view of this clear demarcation between the palpable beneficiaries and the obvious target of attack, there should not be any doubt about the objective of the move by the EC in the name of drive against disfigurement of the cities and habitats. And the ruling class could afford to initiate such a deleterious move through EC because of a congenial environment marked by

the lull in the democratic mass movement courtesy the pseudo-Marxists whom the people now find to be an inalienable part of the bourgeois machination. Usurping all credit of the left-democratic movement of the country, the CPI(M), CPI, after assuming governmental power, systematically shunned the path of movement and instead, in order to appease the ruling class more for pelf and power, began to discourage all kinds of class and mass struggles either by propagating hated doctrine of class conciliation and decrying militant movements or by ruthlessly crushing any such movement that surged forth in the states of West Bengal and Tripura under their governance.

Frustrated and overawed by a feeling of having been betrayed by the forces calling themselves Marxists, the people, and being continuously exposed to a barrage of well-orchestrated false and malicious propaganda unleashed by the ruling class and its subservient forces, the people are being pushed to gradually turn back from the course of democratic movement and develop a sort of indifference towards politics as a whole even in the state of West Bengal known to be the citadel of Left democratic movement in the country. This was exactly what the ruling bourgeoisie intended. More the people plunge into the morass of frustration and despair, be dispossessed of the spirit of protest, be emasculated from within, become directionless, more secured feel the exploiting ruling class and its servitors in prolonging the reign of oppression and suppression.

Moreover, in order to keep the people away from all kinds of class and mass struggles, there has been a sustained effort to boost the parliamentary illusion among the people. In this respect also, the pseudo-Marxists have been of great service to the class in power. But overdoze of malpractices and manipulations had been fast exposing the farce and futility of the bourgeois parliamentary elections. So, the EC has been brought to the centre-stage. An impression is sought to be created as if it is a neutral body serious to free the election process from all aberrations and ensure people's right to choose their representatives to the legislatures. While generating more heat than light on this score through

*Contd. on page 4*

# Resist this fascist attack on democratic rights and democratic movement

*Contd. from page 3*

detection of irregularities in voters' list preparation, deployment of more security personnel at the booths and so forth, the EC has seized the opportunity to clamp a ban on poster and wall-writing during elections under the pretext of preventing visual pollution so that the genuine opponents to this decadent, moribund, decaying, stinking capitalism, the root of all evils, are further crippled in reaching out to the people with the message of truth. And significantly, it is West Bengal which has been chosen as the first hunting ground and the CPI(M)-led government also reciprocated with exceptional haste.

## Modus operandi of deception

The modus operandi has also been unique. Taking advantage of the prevailing political mind of the people at large as well as the host of

confusions and befuddlements clouding their minds in absence of the desired surge of conscious democratic movement, suddenly a hue and cry was raised through the subservient media as if a great harm was being caused to the visual charm of the cities and other habitats because of the posters and banners. Thus it was made an issue overnight through concoctions just the way the media pitchfork bourgeois leaders or leapfrog the advantage of one party or the other in the parliamentary politics. It was in the same way that the monopolist controlled media was first pressed into action to label strikes and bandhs as impediments before development, spit venom on rallies and meetings as disruptors of normal life and evil to people's interest before judicial activism was solicited to put the last nail.

It is thus clear that those who are defrauding the people, robbing them

of their very right to live, are only clamouring for cosmetic beauty of the exterior to hide the truth.

## Resist this fascist attack on democracy

Thus it is clear that promulgation of this order is not an isolated incident but a part and parcel of the well hatched conspiracy on the part of the moribund bourgeoisie desperate to provide extra lease to its decadent rule; to snatch one by one the hard earned democratic rights of the people, concentrate all power in its hand, impose autocracy and stifle the people's voice to clamp total fascism. It goes without saying that if such blanket ban on posters and banners and wall writings is allowed to be enforced on election campaign, it will only be matter of time before it is extended to all other forms of campaign or propagation round the year as had been the objective of the

black Act of West Bengal referred to above. Gradually such blanket ban will extend to meetings, rallies, strikes and bandhs dispossessing the people of their inalienable right to express opinion, ventilate grievances, seek information or register protest. With abolition of all hard earned democratic rights, there will be no democracy at all and fascism will take over. And if fascism clamps its stranglehold on the polity and society, the consequences will be harrowing and devastating. Danger inheres here and the import of this draconian order from the EC is to be understood in this backdrop.

Hence, it is incumbent on every freedom loving, democratic minded person to rise up in protest and thwart this deliberately conceived fascist attack on democracy, democratic movement and democratic right of the people.

# Surfeit of customary presentations of mundane figures to shield severe economic crisis

*Contd. from page 1*

correct has been his claim and based on the policy directives announced as well as the experience of the common man, how sound is his promise of 'equity' and 'social justice'.

## Hoax of growth

The finance minister is exuberant over the figures of GDP growth, both stated to have been achieved and slated to be achieved. But whose growth is it? Of the aam admi? At least the budget is conspicuously silent over the matter. Rather, the economic survey published before the budget could not despite all kinds of juggleries and manipulations, that unemployment has been on the rise. To quote exact figures, rural unemployment figure of both males and females has gone up by around 60% between '93-'94 and 2004. Similarly, there is over 20% growth in urban unemployment. These figures are on current daily status basis and do not include huge under employment in both urban and rural areas. GDP has gone by 3.5% between '72 and '87, 5.2% between '82 and '92, 6% between 1992 and 2002 and 8% in 05-06. But what has it brought to the people other than abject poverty,

penury and devastation and rapidly falling standard of life? Prices are sky rocketing, real income is depleting, avenues for incomes are fast deteriorating, fiscal savagery is mounting. The people at large are chore to make both ends meet. Tormented by starvation and hunger, peasants are hacking children to death, mother is selling her child for a pittance, girls are increasingly drawn into flesh trade, unemployed youths are indulging in self-immolation, mass exodus of the rural unemployed and destitute to the cities is rising, people are eating uneatables like poisonous mango seeds, insects, wild plants. Economic Survey admitted that as per United Nations Development Programme, Human Development Report, India's relative global ranking on the Human Development Index, a composite indicator based on income, education and health has been 127.

On the contrary, the number of Indian millionaires in dollar terms has increased from 60,000 to 71,000 in 2004. Indian monopolists are now figuring in the top 10 or 20 riches in the world. So where is the equity or social justice? Whose growth and prosperity does the much trumpeted GDP growth then reflect? Or is it that there is too much of a hue and

cry over GDP growth rate to conceal this glaring spectacle of economic disparity and savagery? Otherwise how could the finance minister despite the burning reality of continued impoverishment and pauperization of the common people afford to reiterate in his speech that "The assault on poverty and unemployment continues. I believe that growth is the best anti-dote to poverty. The GDP growth target for the Tenth Plan was set at 8 per cent and the overall growth rate will be 7%"

## Soaring price line

The budget does not contain a single mention about the imperativeness to arrest the soaring price line of all essential commodities. Though the ministers and echelons in the ministry cry hoarse about containing inflation, even economic survey this year could not hold back the fact that inflation rate is high in primary articles and "high and volatile international petroleum prices impart an element of uncertainty in the inflation outlook." It is also reported that annual rate of erosion of normal value of paper money (hard currency) is 5%. Another source says that rise in the prices of pulses,

wheat, potatoes and vegetables have been to the tune of 19%, 10.7%, 58.3% and 39% respectively.

This is bound to happen. First of all there is a huge fiscal deficit (difference between expenditure and income) in the economy. This budget has put the figure to be as high as Rs.1,48,686 crores. Naturally to meet up this deficit, government goes on printing currency notes which increase the quantum of money circulation. Moreover, there is around Rs.1.50 lakh crores of black money in the market. Hence too much of money is chasing the produced goods causing hefty inflationary pressure pushing the prices beyond limit. So in real terms, the value of money in the hands of the people is going down. Coupled with shrinkage in the avenue for income, this is running havoc in the life of the common people.

## Deception of lowering indirect tax

The finance minister in this budget has lowered excise, import and customs duty on many items and sought to give an impression as if this would pale down the price. This is another area of deception. Everyone knows that if there is an increase in

*Contd. on page 6*

## SUCI Contests 175 seats in four states

In a meeting held on March 4 and 5, 2006 at Calcutta, the Central Committee, SUCI approved a list of 175 candidates to contest in the ensuing Assembly elections, 20 in Assam, 26 in Kerala, 4 in Tamil Nadu and 125 in West Bengal.

## Countrywide resounding protest against visit of war-monger Bush to India

Indian people has a long tradition of heroic anti-imperialist struggles. Even in the post-independence days they have not failed to give vent to their feelings on different occasions. Thus the scheduled visit of American President George W Bush, the war-monger commander of the US imperialism, the greatest enemy of the mankind in the present days, generated fresh resentment and wrath among people. People were also indignant at the way, the Congress-led UPA government prepared for a red-carpet welcome to him. Obviously both the US imperialism and its multinationals on one hand, and Indian capitalists-monopolists on the other, were keen to use this issue to their mutual benefit, to add fuel to the fire of globalization-liberalization that is already playing havoc in people's life in this country.

Under the circumstances, in keeping with its revolutionary commitment towards striving for a worldwide anti-imperialist struggle and to honour the anti-imperialist heritage of Indian people, our party SUCI, organized protest programmes in different parts of the country.

SUCI demonstrations included one in the capital, Delhi itself. On March 1, the day of landing of Bush in India. The massive rally was subsequently addressed by Comrade Krishna Chakraborty, Member, Central Committee of our party.

In Calcutta, the demonstration organized by the West Bengal State Committee was led by Comrade Provash Ghosh, Member, Central Committee, Comrade Ranjit Dhar, Central Staff and Comrade Manik Mukherjee, Central Staff. Comrade Ranjit Dhar lighted the fire to burn the effigy of Bush. The shameless lathicharge of the police of the CPI(M) Left Front state government on peaceful demonstration caused serious injuries to a number of comrades.

At Bangalore, Karnataka State Committee, SUCI, took out anti-Bush rally through the city on March 1, which culminated in a public meeting. The meeting was addressed by Comrade K.Radhakrishna, Secretary, Karnataka State Committee. Effigy of Bush was burnt to register the protest. Similar protest rally and burning of effigy were also undertaken by the party at Gulbarga on the same date.

At Patna, Bihar on March 1, a protest march was organized by the Bihar Chapter of the All India Anti-Imperialist Forum. Distinguished personalities from different walks of life joined the march. Another protest demonstration was held on March 2, under the auspices of the Left People's Alternative Platform (Bam Jana Vikalpa Manch) constituted by SUCI, MCPI, CCI, and CPI(ML). Protest rally was also organized at Muzaffarpur.

Observance of the martyrdom of the uncompromising revolutionary Chandrasekhar Azad was undertaken by the AIDSO of Jaunpur, UP, students dwelt upon the life-struggle of Chandrasekhar Azad as well as upon the necessity of anti-imperialist movement in the current political situation, particularly arising from the recent visit of Bush in India.

In Hyderabad, SUCI held a rally on March 1 jointly with MCPI. In Chennai, Ahmedabad, Surat and Baroda demonstrations were also held. At Durg in Chhattisgarh, AIDSO held a protest demonstration on March 2. Protest demonstrations were held at Sagar and Bhopal in Madhya Pradesh as also in Mumbai. Similar demonstrations and protest rallies were also held at Guwahati in Assam, and Siliguri in West Bengal.

### Corrigendum

We regret two mistakes in the last issue of Proletarian Era.

On page 7 in the preamble to the report of Joynagar meeting of AIKKMS with Comrade Nina Andreeva, the date of 'October 27' should be November 27.

On page 8, the figure caption should read as 'Barbaric lathi-charge by police on SUCI demonstration in front of US Consulate in Calcutta on March 20, 2003'.

## SUCI flays Union Budget 2006-07

Comrade Nihar Mukherjee, General Secretary, SUCI, in course of a statement issued on March 1, 2006, severely criticized the union budget 2006-07 as brazenly anti-people, faithfully subserving capitalist globalization-privatization running havoc in people's life. Though the finance minister had to keep in mind the exigency of ensuing elections in five states, yet he could through a tricky presentation assure the ruling monopolists in no uncertain term that there is no let up to the capitalist reforms process. While the finance minister devoted about two-third of his budget speech on presenting customary mundane figures which, the people know, are of little significance in amelioration of their fast deteriorating economic conditions, he spelt out nothing concrete as to how the government proposes to arrest the spiralling price line, create adequate employment opportunities for and provide gainful means of earning to the urban and rural poor comprising over 80% of the population and gruelled under ruthless capitalist exploitation. Mere parroting figures of plan outlay and budgetary allocations, said Comrade Mukherjee, sounds like prattles as most of these funds are usurped in between by the corrupt nexus of bureaucracy-administration-power greedy self-serving bougeois politicians and the benefits hardly reach the lower end of the economy. The so-called projection of GDP or economic growth rate, commented Comrade Mukherjee, does have no relevance to alleviation of poverty and impoverishment as more the government boasts of such growth, more swells the number of poor, unemployed and jobless. The finance minister has only brandished the rising sensex to claim financial buoyancy while even a layman is aware that such speculation-driven upswing of secondary capital market is no indication of economic health but a glaring testimony of what a grave decease the economy is suffering from. The economic survey published before the budget could not suppress some other features of an ailing economy like hyperinflation, erosion in foreign exchange reserve, deficit in foreign trade and deceleration of the core industries. It obviates to say, remarked Comrade Mukherjee, that an extreme recessionary situation is prevailing in almost every sector and indiscriminate deficit financing is exerting heavy pressure on the economy which, in fact, is standing on quicksand.

But the budget, added Comrade Mukherjee, in utter disdain to the interest of the common toiling people, has, using deceptive number crunching as subterfuge and riding on hollow promises, only tried to buttress the agenda of WTO by liberalizing import, slashing food subsidy and further opening up of core sectors to FDI as well as allowing FIIs to acquire government securities and government holdings in banks. There is no mention whatsoever about any specific remedial steps to save the gasping unorganized sector providing almost 80% of the total employment in the country. Even 180 units of small-scale industries have been dereserved to virtually signal death knell of this sector that employs substantial number of workers. While the government's readymade alibi has been of a cash-strapped exchequer coming in the way of undertaking public welfare measures, the unproductive defence sector continues to receive additional allocation, this time too a further sum of as high as Rs. 6,000 crores.

Most significantly, instead of taxing the rich, monopolists and MNCs, the finance minister, observed Comrade Mukherjee, has increased the service tax rate by 20% and extended its coverage to many more areas including banking and container carriage service. Obviously, the incidence of this additional burden will have to be borne by the common people. Similarly, additional cess imposed on petrol-diesel is sure to impact retail fuel price leading to more inflation.

On the other hand, Comrade Mukherjee pointed out, there is an obvious move to discourage small savings even bank savings and canalize the household savings into speculative capital market thus throwing the middle and lower middle classes including retired persons who so heavily depend on the earnings from such investments, to the vagaries of worst speculation willfully manipulated by the shrewd crafty market operators aided and abetted by the monopoly houses and FIIs.

So in every respect, commented Comrade Mukherjee, this is an out and out anti-people budget that will only delight the ruling monopolists and MNCs and ruin and devastate the toiling people further. He therefore called upon the people to rise in protest and organize massive democratic movement to resist such pernicious moves.

# Savage fiscal assault on common people

*Contd. from page 4*

impost of indirect taxes on goods and services, it is never borne by the sellers or manufacturers but is passed on to the consumers. In this budget, the finance minister has increased the cess on domestically produced petrol crude from Rs.1800 per metric ton to Rs.2500/-per metric ton. Though the finance minister talks of having been assured that this increase will be absorbed by the oil producing companies and will have no impact on retail prices of petroleum, it is only a matter of time before the common people bears the brunt of this hike of almost 40%. But the opposite is never true. Even if there is slash in excise, customs, sales or value-added tax, the people derive no benefit of that as the manufacturers are under no compulsion to give proportionate relief in price. For example, the finance minister announced reduction in excise duty on writing and printing papers from 16 to 12%. It was to be effective from 1st March, 2006. But from that date, the paper manufacturers most of whom are big corporates and monopoly houses, have increased the base price by 4%. Earlier also, when the West Bengal government decided to charge VAT at the rate of 4% in place of erstwhile 9.2% excise duty on paper, the manufacturers are alleged to have usurped the total benefit and buyers only sucked their thumbs. So the common people have no reason to be elated over so-called reduction in indirect taxes. Thus this is another trickery to fill the pocket of capitalists.

## **Additional burden of service tax**

Since 1994-95 a new indirect tax under the seemingly innocuous nomenclature Service Tax has been introduced to further fleece the people. The government is exacting service tax from the consumer for various services he gets from the service-provider although there is no element of service provided by the government in the whole process. Thus most illogically and without a figment of legitimacy the government is taxing the people in the name of 'service' which is nothing but robbing at will. The way the government is relentlessly imposing service tax on almost all services, it is apprehended, the frontier of this tax-net will never end and will shortly encompass each and every activity of all citizens for their existence in the society thereby

curtailing, in a sense, their individual liberty which the bourgeoisie so much clamour for. The government has in this budget come out with a unique proposal to squeeze the people further. We know that at present, it is the service sector meaning, Banking, Insurance, Consultancy, Information Technology, consuming food in restaurants which constitute about 54% of the Gross Domestic Product (GDP) with deceleration in the industrial growth and agriculture, services now assume prime position in the economy. And so the government has identified this sector to rob the common man. Last year, the finance minister imposed 10.2% tax on 81 items of service meaning thereby that to avail of any service, the consumer, apart from the scheduled price was bearing 10.2% additional expenditure. A restaurant bill of Rs.100 was thus requiring one to pay Rs.110.20. This budget has increased the rate of service tax to 12.24% and extended the coverage to 96-items. This is not just a hike but plunder. Apart from goods and income, the same consumer is now to bear the brunt of a heavy doze of tax on almost every service he avails of.

Surprisingly, in 1994-95, there was 5% service tax on only 3 items and the exchequer received Rs.410 crores on account of that. Last year, the government could mop up as high as Rs.23,000 crores from taxing service. In the current year, the estimated inflow is Rs.34,500 crores. Thus by running through the depleting purse of the poor customers, the government could net 56-fold increase in its revenue on this count. In this backdrop, the extra public spending of Rs.52,000 crores and assurance of no increase in fiscal deficit, as contained in the budget, are not at all tenable by any economic logic.

## **Rich and speculators not taxed**

While the poor is subjected to such barbaric assault, the rich and the corporate sector are being showered with all concessions and exemptions. Last year, corporate tax was reduced from 33 to 30%. Yet there is a shortfall of Rs.7000 crores in revenue receipt on this count. Despite the rich and monopolists amassing huge wealth, rate of wealth tax is abysmally low. A meagre Rs.265 crores was received last year as wealth tax. Out of an arrear of direct tax to the tune of Rs.99,000 crores, only a target of Rs.7000

crores has been fixed for recovery. Who, by the by, are these defaulters? Surely not the lower end of the economy but the affluent and business tycoons. But the government is too lenient with them. And the buck of amnesty does not stop here. Delinquent corporates owe around Rs.1.5 lakh crore to the banks and financial institutions as bad debt or Non-performing assets (NPAs). But the finance minister makes no mention of that in his budget proposals. On the other hand, the government continues to exempt long term capital gains (the surplus between purchase and sale value) booked on share transactions. This is of tremendous advantage to the speculators and shady operators controlling the capital market. BSE Sensex (i.e. index of the Secondary stock market of Bombay Stock Exchange) which indicates the average price movement of 30 select shares being traded on the bourses (i.e. changes hands) was 3727 on March 2003. On 28.02.06, it touched 10,370. In other words, average price of these shares moved up by more than 300% in just three years. Surely, this spiralling is no indication of economic prosperity but of surging speculation devouring the system. It actually shows the extent of ailment the economy is suffering from. However, this sensex rise is being projected as proof of growth. With such unprecedented spurt in the speculative prices of the shares which is due to heavy injection of speculative capital in the stock market, there is tremendous appreciation in the stock holding of various players in the market. In terms of market capitalization (i.e. the product of total shares in circulation and their market prices), the figure would exceed country's GDP growth. Had the government imposed a modest 10% tax on long term capital gains (i.e. the profit booked on selling a share after holding it for more than 365 days), there could be an addition of Rs.30,000 crores to the government's coffer. It is obvious that had the government collected this Rs.30,000 crores on long term capital gains, recovered the huge tax arrears and unearthed at least a part of the huge black money in circulation, there was no reason for a deficit in the budget. But the government is averse to that lest it affects the 'growth' it is clamouring so much. Moreover, more relaxation is given to the Foreign Institutional

Investors (FIIs) who are the principal operators in the capital market. It is through the conduit of the FIIs that foreign speculative capital and Indian black money en route hawala and the mechanism of participatory notes (PNs) are pumped into the market to jack up prices. Till March 2003, around \$ 5804 million of speculative FII investment took place in the capital market. The cumulative figure of this investment touched \$ 25,267 (i.e. 5-fold increase) in December, 2005. As per a recent report, FII investment is about 35% of the total investment in Indian bourses. An unscrupulous holder of black money in India gets the sum moved out of the country through hawala route, recycles it through PNs registered with FIIs, invests in Indian stocks and get out after one year with all gains without paying a single rupee as tax. The entire accumulation also goes out of the country.

## **Finance Minister's red carpet to FIIs**

It is because of this laundering of money through the sub-account of PN route that a demand was raised sometimes back to force the FIIs declare the details of their sub-accounts held as participatory notes. But like his predecessor of erstwhile NDA government, Chidambaram is also exhibiting a kind of stoicism in this regard. Rather, he has been extra-ordinarily generous to the FIIs this time. He has increased FII investment limit in corporate debts (loan instruments) from \$0.5 bn to \$ 1.5 bn, and that in government securities from \$ 1.75 bn to \$ 2 bn with removal of 10% reciprocal share holding requirement. Not only that; as a part of capital infusion reforms in the banking sector, the government had injected Rs.16,809 crores into the nationalized banks by issue of special securities. Adding perpetual securities issued earlier, the total capital support stands at Rs.22,208 crores as revealed in the budget. It has now been announced in the budget proposals that these non-tradable special securities issued by the banks to the government will be converted into traded SLR (Statutory Liquidity Ratio) government of India dated (i.e. securities of fixed maturity period) securities. In other words, even FIIs will now be able to acquire these government securities from the banks through trading in the markets

*Contd. on page 7*

## Whole thrust on boosting speculation, incentivising the rich

*Contd. from page 6*

and thus have a stake in the money of the government as well endangering the very economic sovereignty of the country.

### Pushing people to speculative capital market

On the other hand, the government is provoking the common people including retired persons to shift their investment from relatively secured steady income generating small savings and bank deposits to speculative capital market either directly or through the route of Mutual Funds. There is progressive lowering of interest rates either in banks or postal savings. Just a few months back, the postal department by issue of a notification withdrew the 10% maturity bonus of 6-year monthly income scheme on which many retired and old people, in absence of any social security system in the country depend for their livelihood. The 6.5% tax free RBI bonds were discontinued last year.

Again that, all dividends from both close-ended and open-ended equity schemes of Mutual Fund is fully exempt from Income tax. Lured by the current surge in speculative secondary stock market index engineered by crafty market operators and speculators through manipulation and disappointed at the steady dwindle in the income from banks and post offices, the general people are indeed turning towards fluctuating capital market. In the banks and postal savings, at least the principal amount stands secured. But there is no such guarantee in exposure to capital market. It is still sharp in memory of many how common savers lost money, some of them even given their life's savings during the two major schemes that rocked the market in recent time.

The finance minister has shown extreme slyness in confusing the people in regard to bank deposits also. He has declared that fixed deposits upto Rs.1 lakh in banks will be deducted from the total income for the purpose of tax computation. But he has not clarified that these deposits on maturity will be added back to the income. Moreover, interest from bank deposits, unlike dividends from shares and equity-based mutual funds is taxable. Thus the government is forcing the common people to discard safety aspect of their hard earned savings and become gamblers in stock market.

After having glimpses of the kind of 'growth' the finance minister has been eloquent about and the steps he has undertaken to further the prospects of that 'growth', we now turn to some other vital macro-economic indicators and then examine how broad hearted has been the finance minister in distributing largesse to the poor and weaker section of the society, particularly the peasants and workers.

Budget and Economic Survey confessed that industrial production is lowered from 8.6 to 7.8%. The mining and electricity sectors are lagging. As regards employment generation in industries there is nothing concrete except certain vague utterings that "In manufacturing, we have identified some industries which, with appropriate incentives, can throw up jobs." But no one knows what are those incentives, what is the employment potential in concrete terms and numbers. The reality is that the industry is in the grip of severe recession due to market shrinkage because of rapidly declining purchasing power of the people. Every day, thousands of factories are being shut down throwing lakhs out of job. No private capitalist, indigenous or foreign, is interested in setting up labour intensive industry. The private industrialists are only for limited establishment of capital intensive high tech units in select sectors to earn maximum profit by wresting maximum concession from the government in the form of tax exemptions, creation of special economic zones, export facilities and so forth.

In the circumstances, it was incumbent on any civilized government to take initiative in setting up industries in the public sector to provide adequate employment opportunities as happened after independence. But the government is determined not to move in that line. Already, most of the PSUs have been rendered sick and closed down. A sizeable number of them are awaiting similar fate today or tomorrow. Already, many PSUs built up with public finance have been handed over to private capitalists at throwaway prices under the garb of disinvestment. The government has not ruled out more disinvestments even of power profit making public sector behemoths. Yet the finance minister shamelessly utters in his budget speech that

"government is committed to strong and effective public sector." Not only that, we know that the small and medium scale industries employ a good number of people. But the government is not comfortable with it. Hence, the budget announced that 180 items in the small scale industries will be dereserved and thus deprived of the special concessions and other facilities. Obviously, these items will pass on to big monopolists and MNCs and a large chunk of people will be out of employment. This is how the finance minister and his government will deal with the problem of unemployment.

### Agricultural scenario

Outlook reflected in respect of poor farmers languishing in abject poverty and absence of work is no different. Agriculture used to be the major production in our country is now in shambles. Finance minister has put the growth rate for 2005-06 at, albeit, assuming there has been good crop, adequate rainfall and such other factors. What he has not divulged is that foodgrain production at the stated level of 209.3 metric ton is lower compared to 212.9 metric ton in 2001 and is even lower than what was recorded in 1999-2000. The reason behind this is that the government feels no concern for providing its citizens the cereal of minimal calorie need. Instead, it is searching for agricultural produces market abroad, emphasizing on agro-based products that can fetch super profit and opening up the sector to private monopolists and MNCs for loot and plunder at will. Food subsidy has been curtailed by Rs.2000 crores. The finance minister also hinted at further cut in subsidy in agriculture. Surprisingly, when the government and bureaucracy cry hoarse about self sufficiency in food, the government imported as high as 5 lakh tons of wheat last year at Rs.300 per quintal spending huge foreign money. The finance minister has claimed that Rs.3000 crores would be saved in transportation and storage cost as surplus stock of foodgrain could be disposed of. Where has the money gone? And in that event, why food stocks in the public distribution system is sought to be cut down? As reported, the government is planning to buy Australian wheat at over twice the prevailing domestic price to meet the shortfall. It may be added in this connection that the budget has "admitted burgeoning current

account deficiency"(meaning imports exceeding exports). The foreign exchange reserve have also declined.

And the plight and penury of the poor peasants is known to all. Unable to meet the cost of cultivation, repay the debt and secure remunerative prices for the produces, over 50,000 poor farmers had committed suicides in last 8 years. Most of them have no work at all throughout the year. Malnutrition and diseases stalk every peasant family. Instead of expressing serious concern at this acute distress of the rural poor constituting 70% of the population and come out with concrete ameliorative measure to provide them at least the guarantee to subsist, the finance minister has betrayed rate audacity to express 'compassion' to the farmers in difficulty and announced a paltry Rs.1700 crores as subsidy against interest cost of loan knowing fully well that it is grossly insufficient. Even the allotment towards much trumpeted rural employment programmes has been slashed by Rs.3780 crores.

### Wasteful and unproductive expenditure

While the government pretends short of resources towards public welfare measures, no dearth of funds is visible when it comes to government expenditure, maintenance of top heavy bureaucracy and profligacy of the ministers. Government spending is 15% of GDP (10% of its debt income). Even the report of Comptroller of Accountant General (CAG) has talked of controlling of such wasteful expenditure.

### Allocation on Defence

On the other hand, allotment towards unproductive defence budget is spiralling. Keeping up the tradition of previous governments this UPA government has again raised the total allocation for defence by Rs. 6,000 crores to touch Rs. 89,000 crores this year although millions and millions of people plunged under abject poverty, lack of education, health care, sanitation, food and clothing feel no tangible effect of spending such huge amount of money every year.

### Country is plunging in huge debt

On the other hand, there is no limit on the part of the government

*Contd. on page 8*

## UNION BUDGET: 2006-07

Contd. from page 7

to raise debts. Government borrowing currently is 5 times the money raised by the corporates from the market. Public debt now runs unto Rs.30 lakh crores. Interest component of this huge debt (central and state governments taken together) is around Rs.2 lakh crores. In other words, 89% of the financial deficits is on account of interest payment on debts. The increase in Balance of Payment (BoP) will hard hit the economy in near future for with the increase in BoP value of rupee in comparison to foreign currency i.e. mainly dollar will plummet. This is much to the glee of the FIIs since this falling rupee will enable them mint more money through repatriation of gains in speculative manner. Thus the government is plunging the nation into a quicksand of debt simply to promote the class interest of the ruling bourgeoisie and its servitors. In this backdrop, the myth of spending for public welfare turns out to be a cruel joke, more so, where at best 13 paise per rupee is spent for this purpose reaches the target people thanks to the ever-increasing ruling party leaders-bureaucrat-contractor nexus.

### Hoax of budget outlay

In fact, when this government talks of any allocation for any of the so-called schemes, it does sound like prattles as everyone knows that most of the funds are swindled in between by the corrupt nexus of bureaucracy-self-seeking bourgeois politicians and the declared beneficiaries receive nothing. The government has announced allotment of Rs.944.18 crores under accelerated irrigation benefit programme while we know that hardly there is any irrigation facility to the poor peasants in most parts of the country. On the contrary, river erosion is gobbling up stretches of cultivable land and human habitats with the government administration as silent spectators. The finance minister said he would spend Rs.28,737 crores for the benefit of the women. But we know how safe the women are today as revealed from the number of rapes, molestations, dowry deaths, bride burning, female foeticides and such other instances of dastardly attacks on the female populace. The so-called allocation towards uplift of women sans

necessary political will and action is only a mockery.

### Globalization, liberalization and privatization surreptitiously given further momentum

So from this elaborate discussion, it is clear that this budget has nothing but deception for the common people. This is a budget of capitalist India, to subserve the interest of the ruling bourgeoisie formulated as per the prescriptions of capitalist globalization and carry out the dictates of WTO, the forum that formulates policy directive of globalization. Slash of import duty, drastic cut in food subsidy, opening up agriculture and other sectors to MNCs, riding the crest of stock market surge to announce economic growth, allowing foreign capital to assault Indian markets, taxing the poor and exempting the rich are all purported towards that objective. That is why, captains of industries, chamber of commerce, monopoly houses and their subservient media are in all praise for the finance minister. The stock market index went up by 700 points only in five trading days increasing the market capitalization of stock holdings of eight big monopoly houses like the Ambanis, Tatas, Mittals, Bajajs and Birlas by Rs.1709 crores.

### Role of CPI(M), CPI

And in this respect the role of CPI(M), CPI is most dubious. They pretend to criticize, albeit on a very mild tone, but in the main most shamelessly support this pro-capitalist and out and out pro-liberalization, pro-globalization budget of the Congress-led UPA government. Otherwise, if they were serious in opposition, they could easily bring a cut-motion in the House on the budget, and expose its anti-people character. But we know that they would not do so. Here lies their perfidy.

### Conclusion

Thus this budget once again has proved to the hilt that in this capitalist system budget is framed only to protect and strengthen this exploitative capitalist order. So during each budget, the government subserving capitalist class interest embellish the presentation with sweet-coated words of development to befall the common people. The

## SUCI condemns Benaras blast and BJP's Rath Yatra attempt

Strongly condemning those who made twin blasts in Benaras on 7th March last, that killed reportedly 30 and wounded several innocents and expressing profound grief over this painful incident, Comrade Nihar Mukherjee, General Secretary, SUCI, in a statement issued on 9th March, 2006 urged the government to make a judicial probe to find out the real culprits and give them exemplary punishment.

Comrade Mukherjee, in his statement, expressed deep concern over the reported attempt of the BJP to start a Ratha Yatra on this issue and urged the government to stop this attempt to communalize this tragic incident to reap harvest in the ensuing assembly elections in UP which is just a year away.

Comrade Mukherjee fervently appealed to the people to maintain peace and amity and defeat any such attempt to bring cleavage in the unity of the people.

Comrade Mukherjee demanded of the government to pay adequate compensation to the families of those killed and make necessary arrangement for treatment of the injured, besides paying them due compensation.

## SUCI decries US imperialists' role behind Milosevic's death

Comrade Nihar Mukherjee, General Secretary, SUCI, vehemently denounced the criminal refusal of US imperialism-sponsored International Criminal Tribunal for Former Yugoslavia (ICTFY) to provide adequate medical care to ailing Slobodan Milosevic, former President of Yugoslavia, who was taken into custody and detained in a prison outside Yugoslavia in contravention of all international laws and conventions. The way US imperialists and their allies utterly disregarded the demand of all right thinking people round the globe to leave the issue of judgement on Milosevic to the people of Yugoslavia and instead sent him to jail had, at that time, recalled Comrade Mukherjee, raised grave apprehension about the evil intention and sinister design behind the move. The sudden death of Milosevic under mysterious circumstances inside the prison and reported non-availability of due medical attention to his failing health lend enough credence to such apprehension, observed Comrade Mukherjee.

## SUCI condemns latest barbaric US air attack on Iraq

Comrade Nihar Mukherjee, General Secretary, SUCI, in a statement issued on 18th March, 2006, severely condemned the barbaric air attack on the people of Iraq on the 16th of March last by the US occupation army, biggest ever since the US-led invasion of the country, causing killing and destruction of unprecedented magnitude. This barbaric assault out of desperation, observed Comrade Mukherjee, is the last ditch attempt on the part of the US imperialist army to break the heroic resistance movement of the brave Iraqi people. Comrade Mukherjee expressed confidence that such bestial savagery would soon prove to be of no avail and is bound to bounce back upon the illegal occupiers of sovereign Iraq forcing them to quit that land at the earliest.

Comrade Mukherjee called upon the peace-loving people of the world to stand by the fighting patriotic Iraqi people.

Comrade Mukherjee also in this connection warned the US brigands that as apprehended in various reports from different quarters, any sinister move to mount armed assault on Iran under any fraudulent pretext, as had been the case with Iraq, will be a boomerang on them and will surely be foiled by the anti-imperialist, peace-loving people of the world.

CPI(M)-backed Congress-led UPA is also following the same path. Common people are to see through this deception. People have nothing to expect from this budget. They have no other alternative but to close their ranks and organize intense democratic movement on the burning demands of life. It is only under pressure of such movement that they could expect some relief, some abatement of their misery.

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