

## Budget 12-13

THE BUDGET FOR 2012-13 FISCAL YEAR PRESENTED BY THE Finance Minister Pranab Mukherji on 16 March, 2012 shows an estimated total expenditure of Rs 14909250 million, of which Rs 9699000 million is earmarked as 'non plan expenditure' and the rest, that is, Rs 5210250 million is for 'plan expenditure'. Interest payments and Debt servicing of Rs 3197560 million takes the major share in non-plan expenditure followed by Defence services expenditure of Rs 1934040 million. Non-plan expenditure is the cost the nation bears for administration and governance of the country. In the two items of expenditure in non-plan expenditure, there is huge increment of allocation over actual expenditure in 2011-12 fiscal. In the first case the increase is Rs 441410 million, whereas in the second case it is Rs 224700 million. The first item consists of two parts, (1) Interest payments and (2) Debt servicing. Interest on borrowings by Government taken internally and externally has to be paid in time. There is an element of compulsion in it. Even then the burden of debt remains the same as the Principal remains intact. Therefore a part of the Principal is reimbursed along with interest, and that part constitutes debt servicing. Generally the debt servicing part reduces the burden of debt, but if more is borrowed after part repayment, the burden increases. In case of increase of burden, posterity, that is, the future generation pays for what the present generation spends. And in case of increase of external debt, the entire country along with her posterity becomes debtor to foreign sources. The overall increase of Rs 441410 million in a total of Rs 3197560 million in 'Interest payments and Debt servicing' signify an already heavy burden of debt.

Secondly, the huge outlay on Defence is unproductive. What is this Defence Services doing now? They are defending "the disgustingly rich...whose 'Salwa Judum and Green Hunt' kill, rape and torch to establish law and order", says Jan Myrdal in his book, "Red Star over India". Unlike in any other country, the Defence services here rape their own girls (Manipur state), and the situation is so grave that scores of respected mothers denuded themselves before army barrack pleading "Rape Us, Spare Our Girls". Courtesy some photographers, the whole world now knows the misdeeds of Defence services for which the Government, neither of Manipur state nor the Centre is ashamed. Young poetess Irom Sharmila Chanu of Manipur state is on fast since 2 November, 2000 protesting against such inhuman atrocious practices by the Defence services facilitated by the draconian Armed Forces Special Power Act of 1958. She has been demanding repeal of the draconian AFSPA. The Army and the state administration have been force-feeding her keeping her confined and beyond outside contact. In Jangalmahal of West Bengal, some tribes were notified by the British rulers as criminals because their ancestors dared to fight protracted guerrilla sort of war against the encroachers and usurpers of their land and forest. Mahasweta Devi has been fighting for a long time against persistence of this obnoxious imperious practice, but the stigma still remains. Since the days of the brutal British rulers, the general ruling perception vis-a-vis these tribal people is that the police can do no wrong and any brutality that the police commit against these tribal people is just. The police raped a woman in Jangalmahal and pulled out her eyes and she was then killed. The Council of Elders of the Tribe met and mourned over her, powerless as they were. The youth were not

satisfied and revolted against the edict of the Elders, who silently passed the mantle of kindling a struggle and leading it to the youth force among them. It is this youth force that formed the People's Committee for Protection Against Police Atrocities (PCPA in short) and called all tribal people to boycott the police and administration in the Jangalmahal area.

The Defence services had entered Jangalmahal during the CPI-M rule and still continue under the TMC rule. Such is the cruel joke of history. The people must fear the ruler and not otherwise, thinks the ruler of whatever hue. Atrocities against the people of Jangalmahal continue, no one can now enter Jangalmahal. No photographer can enter, not to speak, shoot picture of Green Hunt, that is, Defence services atrocities. The Defence services, instead of defending the people in their acute distress are heaping more dishonour and destruction on the original, that is, the adibasi people of India. And the budget under consideration allocates money for these services for purchase of drones fitted with night-vision cameras to locate and kill their sisters and brothers fighting for life either in Jangalmahal or Bastar.

To keep their own constituency content, the budget gives some relief to the fixed income educated employees and others by raising the no-tax floor from Rs 1.8 lakh to 2 lakh and by moderating the tax burden on individuals earning an income of Rs 10 lakh or more per annum. As one looks into the revenue side, one comes across the item, 'Gross Tax Revenue' estimated at Rs 10776117.90 million less 'National Calamity contingency Fund and National Disaster Response Fund' of Rs 46200.00 million less States' share of Rs 3019202.60 million leaving Centre's net revenue at Rs 7710710.30 million. Non-tax revenue amounts to Rs 1646136.10 million. Thus the total Revenue Receipts add up to Rs 9356846.40 million. Add to this last figure two items of non debt receipts, such as (1) recoveries of loans and advances (Rs 116502.00 million) and miscellaneous capital receipts (Rs 300000.00 million) totaling Rs 416502.00 million leaving a gap of Rs 4535903.50 million which, the Finance Ministry finds easy enough to cover by means of Debt Receipts in the form of market loans, short term borrowing, net external assistance, securities issued against small savings and other receipts. If that be so then the net external assistance part can be done away with. With the Reserve Bank of India acting freely and taking decisions independent of the Ministry of Finance, the fiscal deficit, if managed efficiently, the hyperinflation that the country is passing through can be eased a little. The value of gold has been sky-rocketing for much too long.

On the revenue receipt side, the estimated receipt on account of wealth tax is too meagre reminiscent of pre-revolutionary France and fascist Italy's method of favouring the rich and wealthy. Whereas yields from Corporation tax (Rs 3732270.00 million), Income tax (Rs 1957860.00 million), Customs (Rs 1866940.00 million), Union Excise Duties (Rs 1943500.00 million) and Service tax (Rs 1240000.00 million) are estimated at hundreds of thousand million, the yield from wealth tax is a paltry Rs 12440.00 million, which seems absurdly low for the absurdly rich and wealthy. No doubt the budget is friendly to the wealthy and rich. Otherwise, the budget 12-13 is mediocre and insipid.

About the railway budget, the less said, the better. Indian Railways, for some times past are considered as the private estate of one or the other of the coalition partners at the Centre. Operation costs are mounting and net profit is falling. Net internal generation of capital has come to a halt. At a time like this a budget along with a package for possible revival was presented by a Railway Minister without support of the party he belongs to. And the Minister's own party is crying hoarse for his recall. He has finally resigned bowing to the pressure of his party chief. □□□