

## Calcutta Notebook

MSPVT

IN THE BUDGET ESTIMATE FOR 2012-13 fiscal, expenditure on defence services has been allotted Rupees One lakh ninety three thousand four hundred four crore (Rs 193404 crore) which is Rs 22 thousand 4 hundred 70 crore greater than the actual defence services expenditure in 2011-12. While the discussion on the budget is going on in Parliament, the contents of a top secret letter written by the Commander-in-Chief (CC) of the Army to the Prime Minister of India has been divulged. Previous to this incident the CC made it public that he informed the Defence Minister some time back that someone insider approached him with the offer of bribe of Rs 14 crore to be given in exchange of putting his signature approving the renewal of a military contract with one manufacturer-supplier. It is interesting that the episode of leaking the content of the said letter has been conscientiously brought before the public in order to hide the greater issue of the system of bribe and kickback in purchases involving huge amount of money by various departments of the government. Since the Defence Ministry usually makes bulk purchases of each single item, such news involving this particular Ministry comes out in the open occasionally. But that does not mean that other Ministries are immune of this scourge. It is clear that the government is a big purchaser and the provisions of the expenditure budget indicate the articles of government consumption. Generally the price of those commodities targeted as public consumption goods in government budget rises after the budget. The share prices of the producer-and/or-distributor of those commodities also rise. Expecting or knowing beforehand that the effective demand of some articles is about to be boosted up by such huge additional government demand, those articles are, for a short time before the budget disappear from the market. The speculators simply hoard those goods for short time gains. All these speculative practices are known by the common man. Another set of people look at the revenue side of the budget in order to assess beforehand by how much their money income will get reduced by the government policy on tax and other duties or future incomes enhanced by incentives to small savings provided in the budget.

What is less commonly known is that in India prospective suppliers and speculators of goods and services influence allocation of funds in the budget. Just think about the huge amount of money, Rs 1,70,934 crore already spent in the single financial year, 2011-12. Most of this huge amount of money has been spent on military hardware. The suppliers have already got the money for selling the military hardware articles. They have amassed huge profits and expect to continue with the profits in future. That is why they pass on a little margin of their profits as kickbacks. In this way a certain portion of the money allocated in defence budgets is ploughed back as 'consideration' money to the personnel of the department concerned. Before getting the contract these profiteers bribe the officials and after receiving the contract amount they pay kickbacks. This practice is going on and will go on as long the governments, central, state or local, depend on contractors. If we care to think about this huge structure pervading every department of each type of government and the huge leakage of money to contract suppliers and 'friends' in the bureaucracy, we will shudder to imagine the unfathomable depth of this

system called 'contractor raj'. We will then know why our roads need repair and contractors each year. We will know why bureaucrats amass wealth disproportionate to their incomes, and so on. We will also know how political parties spend crores of rupees in parliamentary elections. We will also know why so called revolutionary parties are lured to parliamentary path after banking on fire and brimstone for a while. We will then also know why, by the Planning Commission's own admission, 33 crore people are forced to live in abject penury on or less than 32 rupees per adult per day in urban areas and 26 rupees per adult per day in rural areas when rice sells at Rs 32 a kg and Rs 26 a kg respectively in urban and rural areas. We will also know why from the UN bodies to our defence establishments the rulers are scared of these 33 crore people taking up arms gradually rising in revolt to throw away this blood sucking parasite system thrust upon their shoulders. We will also know why at all the Planning Commission now comes forward with the admission that nothing has been done for this income less group at the bottom of the pyramid. Also for some private reasons, some officials sometimes are found unwilling to receive their share of the loot and if such a person is put on pressure for some reason or other, or if, as in this case, the person is disgruntled, the news of this systemic aberration comes out in the open. With this system in vogue since the inception of the republic and the government with the full knowledge of its thoroughfares and blind alleys yet acting as if caught unawares when the systemic fault breaks into news, the people suffer and agitate for a while but the system goes on. □□□