

FAQs ON MRCM and INFLATION

(1) FAQs about MRCM

(1) How MRCM decreases poverty

The rents from GoI plots, including IIMA, JNU etc will reduce poverty and increase class I-X education in commons. The biggest reason why commons drop out is poverty and reduction in poverty will reduce drop out rate.

As per commons going to IIMA, How many, WHAT PERCENTAGE, of IIMians come from slums? less than 1%. And what % of IIMians dont have running water at home? Perhaps less than 5%. So much for "IIMA is giving education for commons".

(2) Regarding rent on IIMA plot

Are you suggesting that we starving commons should let IIMA , JNU use plot for free? Why this dariayadili and khairat for a college that otherwise professes capitalism and socialism? If IIMA cant pay, they should relocate to place where land is cheap, or manage with lesser land. IIMA manufactured 200 MBAs a year and that can be done in 10 acres. They dont need 100 acres for this. And if they still want 100 acres, they better cough up the rent --- I dont believe in free lunches. The IIMA grads make Rs 15,00,000 to Rs 50,00,000 a year after they graduate, and I wish them more. But they are not some poor starving people who need subsidies. I support subsidizing food, medicine, education for poor --- I dont like subsidies for rich.

Do you know that many countries who have HIGHER per capita iron (ore) have stopped mining and instead depend on imports from India and Brazil?

We MUST STOP all exports of iron ore. And royalty to ores must go to commons and military.

Please dont support crooks of BJP, CPM and Congress who are siphoning all the mines' money away instead of giving it to commons and Military.

(3) Iron ore from Bellary was exported to China at around USD 60+ even in 2002. That it was sold at Rs. 100 per Tonne shows the ignorance or lack of knowledge of the reporter, who gave this newsu .

Rs 100/tonne is mining cost. Thats the price the root level sub-contractor sells to contractor. You know how mining business works --- the guys who bribe neta , IAS , judges and forms partnerships with them are the ones get contracts from Govt. Many of them dont even bother to visit the site and give lump-sum sub-contract to leaf ground level guys who work at mines. Rs 100/tonne is what these guys get.

<http://www.thehindubusinessline.in/2005/12/26/stories/2005122602490100.htm>

As of now, the cost of extraction for captive mining for SAIL and Tata Steel is between Rs 250 and 325 per tonne, while the market price (iron ore) is around Rs 2,000 per tonne.

So there is HUUUUUUUUUGE profit margin in mining business. And this margin goes into pockets of elitemen (who hire criminals) and neta, IAS, judges etc who are often partners. The profit margin together with corruption in IPS, judges has created network of criminals around mines. The mess is mainly because 'educated' people oppose giving mine royalties DIRECTLY to us commons.

I am talking about RAW costs, not taxes, royalties, bribes given to neta, judges, and hafta given to criminals. Rs 250/tonne is what SAIL pays ---- and SAIL has habit of over-invoicing left, right and center. So if Rs 250 is what SAIL pays per tonne, surely, real ground level cost wont be above Rs 100. That is common sense, and I dont need google for that.

IITs and many other GoI-owned engineering colleges should be made part of military.

Those who join will have to serve defense forces and related dept for 11 years after they pass out.

The depts in IITs not useful for military should be dismantled.

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All colleges except those related with military and medical should be de-subsidized. eg IIMA should be de-subsidized. And land rent should be charged on the plots they occupying.

(4) What is the mathematics of costs and profits and royalties of mining ?

Consider Natural Gas

The international price is \$280 per tmc (thousand cubic meters) as in Jun-2008. The cost of extraction is about \$20 per tmc .(Prices at which the commodity like gas, petrol, coal etc will be sold will be decided by discretion of NLRO initially and later by bidding (market))

Lets say if Indian gas extracting companies were to sell natural gas at international prices. And profits are dispatched to us Indians (citizens).

Production = 27.8 billion cubic meter = 27,800,000 thousand cubic meters = 27,800,000,000 cubic meters = 27,80,00,00,000 cubic meters = 2780 cr cubic meters

profits = 260 dollars per thousand cubic meter , assuming Jun-2008 selling and cost prices = \$0.26 per cubic meters

Total profits in dollars = 2780 cr * \$0.26 = 723 cr dollars

Rupees for dollars = Rs 45 per dollar

So profits in rupees = Rs 32,535 cr

Population in crores = 110 cr

Amount per capita per year = about Rs 300 per common per year

IOW, every Indian would get Rs 300 per year if natural gas royalties were to go to us Indians.

. IOW, the miners make HUGE profits, and not necessarily keep all. They might have to share with Ministers, judges, IAS, IPS etc. But how do they ensure that their low royalty bids win? No magic --- walk into District Collectors office in Porbander District, Gujarat to get form to get mining licence, and the local criminals will make you disappear within minutes !! IOW, using criminals, the bid filing is kept a closed oligarchic process and that ensures that lowest bids arrive, and the miner makes the huge profit.

But the local miner who runs the local criminals is a small pawn and a small beneficiary in the whole game. The criminals require protection from IPS and local judges, and the IPS would protect these criminals ONLY if HomeMin and CM approves and the local judges will protect these criminals iff the HCjs approve. If the mine profits are huge, like Bellary Iron Ore mines, then the money chain goes all the way to Supreme Court judges and PM, Central Ministers and CBI. (Because the Supreme Court judges, PM, Central ministers, etc. are only interested in big profits)

The end result is horrible -- since mining royalties are so low, the Govt income is peanuts. And so GoI has to resort to taxes like VAT etc which ruin small traders and ruin commons as VAT is regressive in nature. And reduction in royalty incomes also reduces funds necessary to build courts, policemen, Military.

(5) What is the mining mafia and who all are involved in it ?

http://www.cpiml.org/liberation/year_2005/february/mahendra_Singh_Murder.htm

(MCC= Maoist Communist Centre)

The above article link gives a glimpse of how deep the Mining Mafia is.

There are many Mining Mafia in India

1. Iron Ore Mafia of Bellary
2. Coal Mafia of Bihar
3. Lime Stone Mafia of Gujarat
4. Granite Mafia of Karnataka, TN

5. Kota Stone, Marble Mafia of Rajasthan (Soharabuddin was killed because of this mafia)
6. Sandlewood mafia of TN
7. Elephant teeth mafia
8. Aluminium Mafia of Orissa

There are about 50-70 such mafia in India. The Mining Mafia are bigger than real estate mafia in terms of revenue. Most are at state or district-group level, but all pay protection money to Central Ministers, PM, SCjs and leaders of major Party. In addition, they pay bribes to all CMs , IPS and IAS. As per some reliable rumor mills, large percentage of CMs, Central Govt Ministers, party heads ,MPs, IAS, IPS are part of one or more of these Mining Mafia.

Mining Mafia is a big business in India. No wonder why so many young men want to become IAS, IPS. And no wonder why so many young men join BJP, Congress and CPM to become MLAs, MPs, Ministers, CMs, PM. Not political party (one rare exception aside) wants to cut these mafia. To be specific, Manifesto of BJP, CPM, Congress etc does NOT even talk about the problem of Mining Mafia nor does propose any solution at all.

The main minerals like Crude Oil, Coal, Iron Ore etc are under Center. And since it is under concurrent list, Center's writ prevails over that of State. Further, the Centra has tremendous powers over IAS, IPS

cadres even when IAS, IPS is under State Govt. I am not denying that State Govt has powers --- they do. But center-state powers are in 65:35 ratio or more towards center. This was main reason why Shibu Soren was more interested in becoming Coal Minister in Center than CM in Jharkhand State. Because Coal Minister has more powers over Coal Mining than CM. But the coal mafia, which is dominated by upper caste elitemen, blocked him as Shibu Soren supports Tribal elitemen (not commons).

Lets divide the total sale price of ores into following 4 parts

1. Costs - Labor, electricity, transport etc
2. Royalties , Taxes like export duties etc (i.e. money that goes to GoI)
3. Miners' profits
4. Bribes Ministers, CMs, PM, MLAs, MPs, IAS, IPS, HCjs, SCjs get

Today, (3) and (4) are very very high because (2) is low. If (2) is raised then (3) and (4) will reduce. Which is why all intellectuals who are agents of elitemen, neta etc oppose all means by which (2) can increase.

if royalties go high, bribes will decrease. eg say costs are Rs 1000/tonne including market interest rates and normal profits of miners. And sale price is Rs 5000/tonne. Then maximum possible royalty is Rs 4000. Now if royalty Rs 4000, bribes IAS, IPS, judges, Ministers get will be zero. And a miner who puts bid of Rs 100 royalty will make excess profits of Rs 3900 and so will be able to give huge bribes. But Rs 100 bid can win the tender ONLY if these ones who file higher bids are beaten black and blue and stopped. This is why ALL Ministers (including CPM, BJP Ministers) all over India promote criminals in mining districts. And these criminals also retard the development, and this is main reason why mining districts are often least developed.

(6) MRCM - this law says that it would generate revenue for the poor using postal office to give them their money.

Firstly poor need employment not money. You give them money to just feed for a day. after that what ? after the mines get finished then what ?

A: Poor need both money and employment. MRCM does not reduce employment. In fact, MRCM (and proposed Wealth Tax on Land) it reduces cost of land which increases employment. MRCM gives money to poor without tax and so demand for goods will increase and thus increase employment. MRCM also includes royalties from bandwidth which are also for-ever.

And minerals are expected to last for over 200 years. Further, MRCM also includes land rent from Govt plots and they are almost for ever. So MRCM will supply money to poor for several decades to come. has long. MRCM reduces poverty within months --- something employment generation programs will take years. And it can be implemented with just 200,000 clerks.

Initially, MRCM uses family as unit and family heads as point of interface. There are 26 crore families in India, and over 95% have ration card. Those who have bank accounts dont need new account. Say 25 crore family heads dont have bank or post office account. Using Ration Card Number and Tahsil Code itself as initial post office account number, all 24 cr new accounts will be created at the local SBI branch or designated bank branch or post office (not all). Now at each SBI branch or Post Office, the clerk will need to take ration card number, picture, finger print of the family head. If one clerk can create 50 accounts a day, creating 25 cr accounts would need $25 \text{ cr} / 50 = 50$ lakh man-days. Existing PSU banks have over 600,000 clerks. So if 200,000 clerks are put on this job, they can create all accounts in one month. Now initially, there will be some inaccuracies, but fingerprint is a powerful tool to get rid of inaccuracies. If a person submits his fingerprints twice, the machine will eventually catch him in few days.

(7) Again I will say how will you communicate to the public about your MRCM and other issues. And suppose if you communicate, then will they agree with you. Lets suppose they agree with you then how patwari, DM office will collect their votes. They (DM, patwari) have only this task?. At this time you have this type of 200 affidavit (like MRCM), is it practically possible to get vote on all these and to register them. Just impossible.

I will submit 200 affidavits. They will take about 500 pages. The fee will be $500 * Rs\ 20 = Rs\ 10000$. The clerk can scan 500 pages in 2-3 days. Rs 10000 more that covers his cost. What is "impossible" here? And citizens will decide which affidavit he wants to support, For each time he files YES, he pays Rs 3. One clerk can register 200 requests a day. So his collection is Rs 600 per day of Rs 15000 per month (assuming 25 days in a month). This covers his salary of Rs 8000. So cost of PC , camera etc everything will get covered in 5-6 months.

If 72 crore citizens decide to register YES on 200 affidavits, then I will combine all RTR affidavit into one affidavit. Similarly, I will group all Jury based affidavits. So all 200 affidavits will get combined into 5-8 affidavits. And 72 cr citizens dont need to register YES, 50 cr are enough to decide the fate. So if 50 cr citizens want to file 8 YESes, and if one clerk can register 200 YESes a day, then we need $(400\ crores / 200) < 2$ crore clerk days. So 100,000 clerks can do this in 200 days. IOW, the process can executed in about 6 months. The Rs 3 fee they collect will pay for their salaries.

Whether citizens will register YES -NO will depend on affidavit. eg if you dislike MRCM for any reason, you need not register YES. But there are people who make barely Rs 50 a day or even less. They might like the idea of getting 100% ethical Rs 300 to Rs 400 per person per month and they might like MRCM.

(8) IF JNU pays 60 crore rent - it has to make that kind of money - from where will it get the money - most likely by raising fees - then what happens to the common man.

JNU plot is worth Rs 16000 cr by a pessimistic valuation of Rs 40,000 per sqm. So rent is Rs 480 cr per year . And if I take better valuation, it would be a bit more. So every common will get about Rs 5/year from this JNU rent

Please explain me -- how is common man adversely effected? To start with, what % of students in JNU you know or think are "commons"? Only 12% of people in age group 18-30 in India manage to enter college. And JNU needs fluency in English which over half of the people in this 12% dont have. Most people in JNU come from urban areas, where some 50% people live in slums. How many JNUites grew up in slums? Perhaps not even 1%.

The Rs 5 commons will get from JNU plot and Rs 800 or more from all mines and plots will enable many commons to improve their primary education. So by giving rent free plots to airports, IIMA, JNU etc you are only ruining education of commons not helping them.

The rent on land plots does NOT end with IIMA and JNU. There are merely starting points. It includes ALL GoI plots except agency is exempted by commons thru an explicit referendum and Jurors.

To be specific-

a) Airports will have to pay land rent to us commons

- b) All colleges which got land plots GoI will have to pay land rent (except those affiliated with Military) to us commons
 - c) Cricket stadiums which got GoI lands will have to pay land rent.
 - d) All sports stadium will have to pay land rent
 - e) Most Govt depts like Tourism will be privatized and will have to pay land rent
 - f) The judges will be given HRA of Rs 10000 to Rs 30000 a month or a 4 BHK flat, and plots under bungalows will be rented out. Same for most IAS, MPs and Ministers. Spare PM, CM and may be 10 more Ministers, NO ONE will get anything more than 4 BHK apt.
 - h) President post will be abolished and entire President House plot will be rented to builders.
- And many more.

(9) How do you plan to execute to distribute the money to all the citizens of India? How will you do the verification of the beneficiaries?

A-The money will be deposited in every common's account in local post office or local SBI branch. If every common makes two withdrawals in a month, we have 114 cr commons, and so we have 228 cr withdrawals in a month. The withdrawals can be only in denomination of Rs 100. So clerk's task is simple, he has to dispense only Rs 100 notes with him. As of now, a clerk can dispense 200 cash cheques a day or 5000 cash cheques a month. So to handle 228 cr transactions, we need $228\text{cr}/5000 < 5$ lakh clerks. This is gross upper bound, as many may withdraw only once a month. Only adults will make withdrawal and so number of commons who make withdrawal will be 80 cr and not 113 cr. So if we take 120cr withdrawals a month, we need < 2.5 lakh clerks. As of now, SBI has 300,000 clerks. So the logistics of dispensing mineral royalties and land rent to each of the 114 cr in cash form is possible. As time goes, with ATM etc things will become more manageable.

Now are you referring to "identity verification" problem? As of now, we have very shabby mechanism and so leakages will be there. But less than 5%. Better than 80% leakages in NREGS or IIMA-subsidies or JNU-subsidies or airport-subsides. So if MRCM law starts today, at least 95% of the money will go to us commons -- only 5% will leak. As time goes, I have proposed a law to reduce the leakages aka National ID System.

(10) On what criterion do we plan to "give" this money every month to all the citizens of India...is it like free money or a transfer of wealth or are these funds to be given to be collected via taxes ?How is your proposal any different from suggesting a tax cut that supposedly increases the spending power of the commons.

It is NOT free money .The money is from MINERAL royalties and land rent from GoI plots. As you know, the GoI plots such as IIMA plot, Delhi airport plot etc belong to us citizens. So why should we citizens NOT collect rents from these plots? IIMA is 100 acre and at Rs 40000/ sqm low ball, the land is worth Rs 2000 cr and rent at 3% a year will be Rs 60 cr a year or Rs 0.60 per common per year. And Delhi airport is 2000 acre and at low ball price of Rs 100,000/sqm, the land price is Rs 200,000 crores and so at 3% a year rent it is Rs 6000 cr or Rs 60 per citizen per year. GoI has 1000s of plots all over India. The rents from these plots can be a substantial amount for us commons. So it is NOT free money. It is rents from the plots we own. And it is royalties from the Mineral ores we own such as crude oil, alumina, iron ore etc.

It is NOT transfer of wealth or a tax cut.. The collection of rents from IIMA plot, JNU plot, airport plots etc is NOT transfer. We commons of India already own that land. So far, these plots have been used by

elitemen free of rent aka fokatvaad. Now we at 'MRCM and Right To Recall' Group want to put an end to these fokatvaad aka socialism. So it is not transfer of wealth.

The tax cut will only benefit the elitemen and not us commons. I am against taxing elitemen to give money to commons. The wealth, income and inheritance taxes I have proposed are ONLY for Military, Courts, Police, Nukes, creating National-ID system, giving weapon-use training to all commons and so forth. There is no proposal as tax elitemen to feed commons. But there should be no tax cuts if there is deficit. We must raise wealth tax and inheritance tax to reduce deficit to zero.

The problem with govt keeping and spending the money is -- corruption. As you know, over 100 out of 99 IAS, IPS, judges, Ministers are corrupt to core. So when Govt spends the money, Nbjpri become rich and we commons starve to death. I support Govt funding on Military, Nukes, Courts, Police etc, But it is in best interest of all (except Nbjpri) that mineral royalties directly go to us commons.

The land rent is NOT a tax. Tax is something I have proposed to fund Military, Courts and Police and it is 2% of land value. It does not go to commons as their money. Whereas rents from public lands, such as IIMA plot, Delhi airport plot etc go 33% to Military and 67% to commons.

(11) You talked about Rent from Delhi Airport, but pray tell us who do you propose will pay this rent. Airlines? But then Airlines would conveniently pass on the rent load to passengers and passengers in turn would stop flying owing to high fares.

Consider Delhi Airport. It serves 2 cr passengers a year. The plot rent can be Rs 6000 cr per year at mkt price of Rs 100000/sqm. It would be Rs 3000 per passenger. Consider an eliteman who used the Delhi airport 20 times in a year. But by not charging him land rent of Rs 3000 per flight, his richness increased by Rs 60,000. And every commoner of India lost Rs 60 per year as he did not get any land rent from the Delhi Airport plot he owns. So are you suggesting that elitemen should be given rent exemption and we commons should starve?

Now a passenger who comes on Delhi airport could be staying in Hotel which charge Rs 5000 a day. Doesn't he pay the land rent to the hotel? Well, same way, he has to pay to use the airport plot. Sorry, no socialism.

(12) How will crores of citizens come to know that MRCM affidavit has been submitted?

I will first describe a real event. In around year 2002, GoI made a scheme that every senior citizen whose income is below Rs 50000 a year will get Rs 200 per month (pension reached by postal order to their homes and a affidavit was required to be filed for income declaration; for false affidavit, there is penalty of six months; so there was very less chances of corruption) . GoI did not advertise the scheme in TV, newspaper, radio anywhere. Yet, within a short span of say 9-10 months, almost every senior citizen who was eligible was enrolled in the scheme. How did the word spread? When something is in immediate, personal and direct interest, and simple to follow, the words spread like electric current.

Once citizens force PM to print `Citizens Voice-Transparent complaint / Proposal System` in the Gazette, and once MRCM affidavit is filed -- because MRCM is in direct, immediate and personal interest, the information on MRCM affidavit will spread equally fast. The task a citizen has to do is --- only visit Patwari's office for 10-15 minutes and pay Rs 3 fee. And since MRCM is in his direct and immediate interest, he will tell as many neighbors, relatives, friends etc about it. This is how word on MRCM affidavit will reach to crores of citizens within few days.

Today, media gives information which cannot be verified and so is unreliable. But `Citizens Voice` will give reliable information, information which can be verified by every person. So, when few lakhs support MRCM via the Citizens voice- transparent complaint / Proposal system, other people of the country will come to know that there is something which genuinely people are supporting, something which is in the interest of the country. Then, MRCM will spread like wild fire.

(2) FAQs about Inflation

(1) What is the real cause of inflation?

Inflation in general increases ONLY when rupees(M3) are manufactured in form of loans etc and given to the rich increasing rupee volume per citizen, increasing rupee supply and decreasing value of rupee and increasing the value of other items such as food, oil etc.

As per RBI figures, rupee volume per citizen (total amount of rupees in the form of cash, deposits, coins divided by the number of citizens) in 1950s was approximately Rs. 65 per citizen and today it is approximately, Rs. 50,000/- per citizen.

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The value of everything is relative and is determined according to demand and supply.

Let us consider this with an example. Say there is a market and nothing else for simplicity sake. In the market, there is a seller selling 10 kilo potatoes and a buyer having Rs.100. Say, in next scenario, the seller has instead of 10 kilo potatoes, 20 kilo potatoes, will the cost of potatoes decrease or increase? Easy guess- It will decrease since the supply of potatoes has increased.

In another scenario, say that the seller has 10 kilo potatoes but there are now two buyers with each Rs.100. Now, will the cost of potatoes increase or decrease?

Easy guess- The cost of potatoes will increase since the supply of rupees has increased and the value of the rupee will decrease and other items costs including food, petrol, gas etc. will increase.

This same thing happens in reality.

(2) Who manufactures rupees and Where did the rupees (rupees =M3 is defined as sum of all notes, coins and Fixed deposits) come from ?

The Reserve bank has licence to manufacture it and also Scheduled Banks (Banks licenced by Reserve Bank to manufacture rupees in form of F.Ds). There is no Gold standard which was abolished since decades, the RBI-gov on instruction of the government manufactures them.

Only RBI can print notes and mint coins but scheduled banks like SBI, ICICI etc, can also manufacture rupees (M3) in the form of F.Ds.

This increase in supply of rupees decreases the value of rupees and increases the costs of other items including food, oil prices and causes general inflation.

(3) Why does the RBI and scheduled banks manufacture rupees ?

They do so for the rich. Let me give you an example. Say there is a rich company, which has connections with the RBI governor, finance minister etc. They take loan of Rs. 1000 crore from a government bank and pay back Rs. 200 crore. And since they have connections, they will tell the RBI-gov, FM, etc that they will give them cuts/bribes in return for allowing to declare their company bankrupt.

So the company is declared bankrupt. Now, if the bank declares this loss of Rs. 800 crore, then the bank will also become bankrupt and the bank customers also will lose their deposited money and the

customers who are common citizen-voters will raise hue and cry and the government will have to face wrath of public. To avoid this, the government asks the RBI-governor/scheduled banks to manufacture Rs. 800 crore rupees. This excess of supply when comes into the market will decrease the value of rupee and increase the cost of the goods.

(4) Rupee volume has increased almost thousand times from 1951 to date .Is that since GDP has also increased or since rupee was devalued?

GDP has increased only three times which does not account for the increase of rupee volume increase of thousand times.

Rupee has devalued compared to dollar and other currencies only 25-30 times which does not account for the increase of rupee volume increase of thousand times.

(5)Inflation increases due to stocking of goods by traders or increase in exports creating shortage or due to stock market , future market speculations or shortage of production.

All these are local factors and do not cause in general increase of prices , that is inflation.

In stocking of goods, the stocking will cause a shortage and increase the prices, but no one can/will stock for ever and on release of the goods into the market ,the prices will decrease while the general price increase is ONLY UPWARD and prices do not fall once they have risen.

Similar is the price fluctuation trend seen with speculation of food and other items in stock and speculative marketes.

Not all items are exported , so exports do not account for the general upward trend of increase in prices.

(6) This price rise=inflation affects all citizens , poor and rich, those with connections and without connections ?

No. Those who are poor and without any connections become more poor as price of items increase. While the rich, elite form a nexus with the government and illegally get the manufactured rupees for FREE!!

In a way, the rich, connected people are looting the poor, unconnected common people !!

(7) Petrol prices increased due to conspiracy of the government. Why did the petrol prices did not increase uptil now?

Petrol prices like other items also depend on the rupee volume and demand and supply principle. Since the rupee volume per citizen has increased, the value of rupee decreased and petrol prices increased. Only difference here is that the petrol price is artificially controlled upto a certain extent, but after a limit , the government has to increase the price which would have anyway increased if the petrol price would not have been regulated. So, 80% of the reason why petrol prices increased is illegal rupee manufacturing.

(8) Inflation , that is general price rise is due to increase in petrol prices due to increase in transportation cost.

Share of Petrol cost and transportation cost is only 2-5 % in the cost of a item. For example, cost of rice was Rs. 20 per kilo five years ago, of which share of transportation was Rs. 1 . Petrol price increased 1.5

times, so if cost of rice increased due to petrol price increase alone, the cost of rice now should have been maximum Rs. 21, but now the actual cost is Rs. 40 per kilo.

So, the increase in petrol price and transportation cost does not account for the general price rise of items or inflation.

(9) What is the solution for stopping this? We need to remove the government and make good policies.

This illegal rupee manufacturing for the rich has been happening during Congress and also BJP governments` rule. So, removing the government and installing other government will not solve the problem.

Following are the solutions-

- a) Right to recall Reserve Bank Governor and RTR-FM- Presently , the RBI governor illegally manufactures rupees for the rich on instructions of the government. Once the posts of RBI governor and FM are DIRECTLY accountable to the masses, they will not do so. Please see the procedure of RTR-RBI governor in chapter 9 of <http://www.righttorecall.info/301.pdf>
- b) The RBI governor should be able to manufacture rupees ONLY with the approval of 51% of the citizens of India. For this, we need Transparent Complaint/Proposal procedure (see chapter 1 of <http://www.righttorecall.info/301.pdf>)

Please also see chapter 23 of www.righttorecall.info/301.pdf for details of `Real Cause of Inflation`

(10) Are progressive taxes, percentage with respect to the income or wealth which increases as income or wealth increases. For example , income tax ,are they unconstitutional ?

Progressive tax does not violate equality. The taxes are used to pay for police, military etc to protect wealth. Now cost of security rises more than linearly with wealth needed to be secured. I.e of cost of securing Rs 1cr of gold is say Rs 100,000/yr, then cost of securing gold of Rs 2cr can be more than Rs 200,000/yr. Hence progressive tax rate is constitutional.

Two set of parallel laws, almost amounting to "two nations inside one land" doesnt violate equality? Well, that is YOUR interpretation of constitution. And also SCjs' interpretation of Constitution, and perhaps the fact most SEZ owners have SCjs' sons on their panel and paying crores of rupees had no impact on SCjs' decision. But the way we 105cr commons INTERPRET constitution, SEZs violate equality.

(11) If Banks allow 100% CRR (Credit Reserve Ratio) accounts (money in those accounts cannot be lent) to liquidate DIC (Depositors Insurance Company) provision , what would be their (banks`) 'interest' in accepting such a deposit in the first place? How would that be different from stashing away cash/gold in a locker account?

With DIC (Depositors Insuranse Company), banks have become reckless and started giving out loans without any reason, and this has created a huge bubble (instability). Liquidate DIC, give option of 100% CRR to depositor and tell him that if he wants interest, *he* has to risk his money and find a good bank on his own. NPA (Non-performing Assets) will reduce within months.

The interest in 100% CRR account will be less. It is better than stashing gold because

1. Fund transfer is possible
2. There is insurance against theft

It will fetch less interest, but many people still use it. The 100% CRR will be insured by Govt. The higher interest bearing accounts will be held ONLY by private bank, will not be insured by Govt and every passbook, cheque etc will have a clear warning that "GoI and citizens will pay nothing in case bank goes bust, and this bank may go bust any minute". Similar to warning on cigarette packs that "smoking can kill you". After all, truth is that banks do go bust and so let truth be written on every passbook.

This may or may not save depositors. After all, despite warning, people do smoke and do die of cancer caused by smoking. But this surely lessen the economic burden of us commons -- we dont need to save depositors when bank pops out. And it also pushes the moral burden on the depositor -- he was told that his bank may go bust. So no tears.

(12) What is the solution for stopping manufacturing of rupees by RBI every time dollars and other foreign currencies deposits are made in India ?

We need to modify the system as follows : When a person deposits \$1000, his entry should stay as \$1000 till he explicitly converts it. And when he converts it, he will be sending a cheque to private company in dollars and getting rupees from him. i.e. no rupees will be manufactured when dollar comes. The GoI buy dollars needed for Military and other GoI needs only. The dollar for petrol imports and all imports will have to be obtained from private sources only. And income in dollars will NOT be tax exempt and expenditure in dollars i.e. imports will NOT be deductible from income. And in addition, we should impose 100% to 300% customs duty, to be paid in dollars only. And we should enact these laws using YESes of commons ONLY. We must not impose it by bribing MPs and getting legislation in Parliament.

(13) What are the pro and cons of having Gold as a currency ?

When will any entity, be rupee or dollar or gold become "currency" in India?

When almost all Indian citizens need it and almost everyone see that that entity will enable them to buy goods in future. And if one entity cant meet all needs of everyone, then there will be multiple currencies. eg in India today, rupee is dominant currency. But people do use gold, silver and dollars for hoarding, exchange in a limited way.

Now every Indian citizen needs Military, Police and Courts - directly or indirectly and payment to these services is done in form of taxes - excise, income tax etc. Now if GoI were to demand tax payments in dollars, then importance of dollar will increase. If GoI were to demand tax payments in gold, then importance of gold will increase and if GoI demands tax payments in rupees, rupees will become importance. But if Military, Police and Courts themselves become unimportant and incapable, then the demand for rupees will decrease and demand for gold/dollars will increase.

Now only advantage of Gold over existing rupee is that elitemen cannot increase its volume arbitrarily. But that can be attained by enacting a law that RBI chief cant increase rupee volume without explicit consent of us commons. Hence the "Citizens Rupee System" I have proposed has this advantage of the gold, that elitemen cannot increase the volume as per their whims. Also, in the Citizens Rupee System,

the newly manufactured rupees are spent ONLY for Military, Police and Courts. So the flaw of existing rupee system where in elitemen can pocket the newly manufactured money via SBI etc goes away.

But gold has disadvantage that citizens cant increase the volume even if they want. Whereas in Citizens Rupee System , citizens can increase money supply. And gold has another fatal flaw that enemy can take away gold, while rupee does not have this flaw. The enemy cannot take away rupee, because he has to bring rupees to India to get anything valuable. And once rupee is make 100% electronic with all transactions tracked by ID, thefts of rupees as well black transactions will drastically reduce, which will improve tax collection and improve Military, Police and Courts. This cannot be done with gold. If gold is made currency, the undocumented economy will thrive and may also increase.

And another fatal flaw of Gold is that it will makes it difficult for GoI to fund war against USA, China etc . In event of war against USA, China etc GoI may need tons of currency to buy goods, pay soldiers, pay civilians for services etc. Now if gold is the only currency, then GoI will have to obtain gold. Gold can be hidden or sent out of India. So the elitemen will hide it or send all their gold to Swiss banks so that GoI cant touch it. So GoI will run out of currency and would lose the war against USA, China etc. So gold is worst and most fatal form of currency if war against US, China etc is a likely scenario.. Now I am assuming that India *will* have to fight several wars against US, China, Saud, Pak, BD etc and so I oppose gold.

(14) Which is more bad, subsidies or Tax rebates for the economy of the country?

Both, subsidies and tax rebates are bad.

But subsidies are worse.

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When GoI says : "earn money from industry A, and instead of usual 35% tax rate, pay a lower tax rate", the industrialists will

a) invest more in A or

b) wrongfully try to show that their income was from A and not from other sources.

(b) is what I call as diversion or deliberate mis-classification of income.

But here, the person has to at least do some activity to earn income in industry A or some other area from where he can siphon money into A.

But when GoI says that start industry A and GoI will be give Rs X crores as subsidy, many neta-IAS-judges-elitemen etc will start A only on paper and devour all subsidies. So GoI loses money and there is no industrial activity either.

IOW, in tax rebates, GoI loses money but some industrial activity does happen which will benefit society. While in subsidy, the neta-IAS-judges-intellectuals-elitemen chew away all subsidies and no activity may happen.

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Now, I am hostile to BOTH. But I am more hostile to subsidy due to above reason.

But most intellectuals , who claim themselves as anti-subsidy are in reality supporters of subsidies that subsidize rich. eg Most oppose LPG subsidies but support land/cash subsidies given to JNU, IIMA etc. as IIMA, JNU etc subsidy goes mainly to the elitekids. The concerned citizens should be aware of their selective fraudulent opposition to subsidies.