

**The difference between a moral man and a man of honor is that the latter regards a disreputable act even when it has no other land he has not been caught**

H. L. Mencken

## Unnecessary ballyhoo

After a BSF jawan was brutally murdered and his throat slit by the Pakistan army on the border of Jammu, everybody from the army chief to the Home Minister, has started talking of another 'surgical strike' in PoK. Surgical strikes, by their very nature, must be planned in secret and executed without warning. Surprise is the key to the success of any surgical strike. Taking the enemy unawares is of prime importance. The way an imminent surgical strike in PoK is being freely discussed by all and sundry, has already taken away the surprise element and put Pakistan on the alert. Home Minister Rajnath Singh had better resist the temptation of indulging in the bravado that "Something has happened. I won't reveal it now. Trust me, something really big has happened two-three days ago. And you will see what happens in future."

If something has really 'happened' two or three days ago, there is no need to conceal it. Rather, the Government should give it maximum publicity, leaving Pakistan red-faced and forced either to confirm or deny it. The same thing happened a couple of years ago, when the media was abuzz with the speculation that India was about to mount an Osama-type operation to capture Dawood Ibrahim and bring him back. As is well known, Dawood is living under heavy security provided to him by the ISI at his residence in the posh Clifton area of Karachi. If India had really any intention of undertaking such a daring operation, 'mum' should have been the word. Nobody mounts a 'secret' operation by giving the enemy advance notice of it. It is childish to discuss surgical strike strikes in public.

The main thing is that the NDA Government has no coherent and consistent Pakistan policy. It reacts from incident to incident. First it was decided that External Affairs Minister Sushma Swaraj will meet her Pakistani counterpart in New York on the sidelines of UNGA meeting. Then there was the killing of our army men by the Pakistanis in Kashmir. This led to the calling off of the contemplated talks. This shows the indecisiveness of the Government. That Pakistan, especially the Pak army, does not want any improvement of Indo-Pak relations is well known. New Delhi should have anticipated that the Pak side was very likely to do something to provoke India into calling off the talks. While deciding to hold Indo-Pak Foreign Ministers' meet this contingency should have been taken into account. Either New Delhi should not have agreed to the meet or once the decision was taken, should have gone ahead with it, despite the provocation.

# Portugal's economy makes a big recovery

## REFLEX ACTION

C.J. Atkins

Anyone who says socialism and love of country don't mix better take a look at Portugal's Communist Party and think again. If there is any group here that can claim a history of fighting for the best interests of the whole nation while also being true to the global struggle for change, it's the Portuguese Communists. This is the party, after all, that kept the flame of democracy burning even during a half-century of fascist dictatorship and secret police terror.

Last weekend in the Lisbon suburb of Amora, the party took its message to hundreds of thousands of people from across Portugal and around the world at the annual Avante! Festival (Festa do Avante!). Named after the party's newspaper, Avante!, or Forward!, the event, now in its 42nd year, is a three-day jamboree of music, dance, sport, theater, debate, and more—all peppered with just the right dose of progressive politics. This was no dull conference with too many long speeches, but rather a celebration of life and a peek into a future of solidarity that might exist just beyond capitalism.

Headlined by big name Portuguese bands like Xutos and Pontapés as well as international acts, such as Palestine's 47Soul and rock-gospel-blues singer Sharrie Williams from the U.S., the festival offers something for every musical taste. There was even a concert honoring the 200th birthday of Karl Marx by the Sinfonietta de Lisboa, featuring Aaron Copland's "Fanfare for the Common Man," Leonard Bernstein's West Side Story, along with Tchaikovsky, Beethoven, and others. In opening the festival, Portuguese Communist Party leader Jerónimo de Sousa characterized it as "the high point" of the party's year. The festival, he said, gives party members and their allies "the strength and confidence to continue fighting...for workers and the people."

Cadima highlighted the shrinking ability of the economic system to engage in socially useful, productive activity. Instead, it jumps from bubble to bubble, looking for the next temporary investment outlet. Along the way, more and more private debt—the costs of either failed investments, or more likely, successful predatory stripping of companies' resources—"gets dumped into public hands."

Trumpism and the increasing influence of the far-right is a symptom of this continued long-term crisis in the U.S., according to Cadima. The same thing is happening in many countries across Europe, Latin America, and Asia. And in places where the right gains power, they are preparing for an even darker future. "There is a growing consolidation of the mechanisms of authoritarianism and repression to use if and when they are needed."

While Portugal has not, so far, seen an extreme nationalist and reactionary movement arise—the memories of the dictatorship of Antonio Salazar are probably still too fresh for that—it has been on the receiving end of harsh austerity measures and crushing economic dictates from the EU. By 2015, the Portuguese people had enough. Parliamentary elections that year gave the combined left (Socialist Party, Left Bloc, Communists, and Greens) the biggest share of seats. But the conservative (and ironically named) Social Democratic Party was the single largest vote-getter, so it got first shot at forming a government. To block them, the Communist Party went to the Socialists and offered to support them for forming a government, but only on condition that it start reversing the worst of the measures implemented by the previous government, starting first of all with rolling back wage cuts, guaranteeing the 35-hour workweek, and increasing pensions. It wasn't a coalition, but a deal was made. On the Communists' initiative, Portugal ditched austerity.

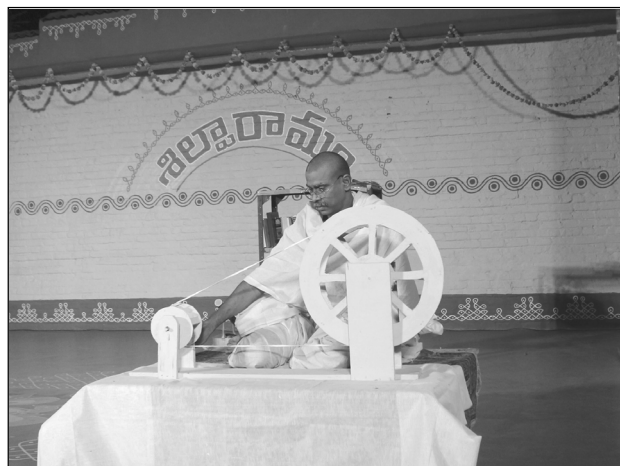
After two-and-a-half years of re-investment in the public sector and a halt to most major cuts, the turnaround has been dramatic. Wages are up, unemployment is down, and the debt is shrinking. Among the Portuguese people, there is a new confidence—the sense that life can get better. Cadima says that "for the first time, people see something besides defeat is possible." Even the mainstream

establishment press is admitting that Portugal has shown there's another way. He cautions, however, that everything achieved so far was won only because Socialist Prime Minister António Costa was under pressure from the Communists and others on his left flank: "What the Socialist Party has done is not enough. If there was a different balance of forces in parliament, they would go back to their right-wing policies of the past." They already have in some cases, keeping troika-imposed labor legislation, blocking industry-level collective bargaining, and increasing collaboration with NATO and the US.

With elections due by next fall, the Socialists are trying to leverage the popularity of the anti-austerity agenda to increase their support among voters, hoping to go for their own seat-count and not have to rely on the Communists to stay in office. It's a danger that PCP is well aware of. "The Socialists try to take credit for all the positive things achieved, but we tell the people that whatever you got out of them is only because of the strength of the Communists." The Portuguese national spirit has been revived as a result of forcefully rejecting the agenda of Europe's big capitalist powers; it represents the PCP's approach of a "patriotic politics of the left" in practice. It's a combination of the class struggle and the fight for national sovereignty. Keeping it going though, is going to require a lot of work. "Real progress,"

Cadima says, "is all going to come down to mass struggle." Back at the festival, that new sense of possibility is on full display at the closing rally where hundreds of thousands gather to hear from the party general secretary on the struggles still to come. Attendees embrace and the crowd moves in unison as their voices join to sing the party hymn, "Avante, camarade!", followed by "The Internationale," and the national anthem. Socialism, international solidarity, and love of country and people all combine.

The Avante! Festival organizes people to fight for the better world of the future while nourishing their souls to survive in the current one. It's popular front politics at its best and embodies the spirit of hope that has returned to the Portuguese people after they stood up to austerity—and won. (IPA)



An artiste performing a play during 150th birth anniversary celebration of Mahatma Gandhi, organised by Regional Outreach Bureau and Ministry of Information and Broadcasting in Hyderabad

# US-China trade war and its ramifications

Apparently the Chinese economy is gradually opening up, its growth is high and it claims that financially the economy is stable. However, that is only the tip of the iceberg. There are certain features of the Chinese economy which makes it internally vulnerable. Honestly speaking, outsiders do not know anything for real about China. In 21st century, this is unbelievable.

Firstly, China's massive debt is almost 300 times its GDP, which is not sustainable in the long run. Secondly, one indication of flowing down of the economy is already visible. One important parameter, namely volume of property transactions, is falling fast. Recently it fell by 33.6% on an annual basis. The fall is most pronounced in tier two cities, 44%. Thirdly, reforming of the economy is yet to gather momentum. Steel and many other sectors are suffering from over capacity for years. Fourthly, cost control is not always possible at the regional level, despite directives from the central party. For example, vehicle financing and shutting

down unviable factories are not always politically feasible for the local governments. The country is vast and total authoritarian control of the central government is a utopia. Herein lies the danger for China from Donald Trump's tariff policy. If such policies are also emulated by other countries, for which there is every possibility, domestic consumption alone will not be able to sustain Chinese economy. However, the most advantageous aspect of Command Economy is that political leaders can impose their directives easily with very little fall-out. They also control the media and give a rosy picture of the economy, and claim it to be a market determined one. Interestingly enough, the people at large are slaves, though all vices of capitalism are there to keep them silent as drug addicts.

Many countries who are dependent on it have recognized China as a market economy. However, such is not the case with America or Europe as they know that this recognition will prevent them from imposing anti-dumping duty. This duty is levied in case of China flooding

## FOCUS

Buddhadeb Ghosh and Rapti Roy

the markets with low grade and unhealthy products at a cheap price. Europe and America have three serious allegations against China as it has not kept promises regarding opening its market for American or European exports. China demands investment from US or Europe through joint venture route, mostly with government enterprises. It lays emphasis upon technology transfer from US or European companies, which very often leads to violation of intellectual property loss.

Thus Chinese President, Xi Jinping may claim that his country is a market economy, the actual situation is not so. China has not moved much from the situation where it was denied entry to WTO. US Trade representative Robert Lighthizer recently echoed a similar view. It is in this context that the impact of trade war has

to be understood. China is already retaliating Trump's decision by imposing 25% import duty on a wide range of US exports like oil and steel products, automobiles and so on. It is in protest of 25% tariff on Chinese exports to the US.

If this kind of retaliation continues, Beijing with its Command Economy model will be more adversely affected than America. China has no doubt entered global manufacturing supply chain and gained a dominating position. This trade mainly comprises importing intermediate goods (accessories, raw material etc) and assembling them in China. This is about 43% of Chinese merchandise trade, according to Chinese Ministry of Commerce data for 2017. It amounts to \$4.3 trillion. Thus China can utilize its cheap labour force and technical know-how. The worst impact of

prolonged trade war is that China may have to lose this processing trade. Other countries like Taiwan and South-East Asian nations manufacturing in China may shift their businesses elsewhere. Actually, even a small increase in US tariff will make their businesses unviable because in these cases, the profit margin is not at all high.

In order to avoid closing of factory doors, large scale unemployment, falling demand and large scale unrest among people, China must refrain from the path of retaliation and take to negotiation. America and other European countries can source their raw materials from nations other than China. But it will be difficult for China to shift its manufacturing base overnight and maintain its high rate of growth. Another major hurdle is that the country's capital output ratio has already reached sky high, which no text book can justify. Under this new era Cold War, India should rapidly play her trade policies in order to reap the void in line with European America. (IPA/Clued)

1	2	3	4	5	6	7
8						
9	10					
11	12	13				
14			15	16		
17	18	19	20	21	22	23
24	25					
26			27			
28					29	

- |                      |                      |
|----------------------|----------------------|
| <b>ACROSS</b>        | <b>DOWN</b>          |
| 1 Fitting            | 1 Operatic air       |
| 3 Sea-robber         | 2 Tinge              |
| 8 Golf club          | 3 Nippy              |
| 9 Forefront          | 4 Imply              |
| 10 Err in conduct    | 5 Word off           |
| 11 Garb              | 6 Make brown         |
| 14 Scolded           | 7 Finished           |
| 17 Utters gratefully | 12 Drink             |
| 20 Hud               | 13 Little devil      |
| 24 Oily fruit        | 15 Say further       |
| 26 Become firm       | 16 Slippery fish     |
| 27 That following    | 17 Henhouse          |
| 28 Sawsaw            | 18 Venomous ill-will |
| 29 Tree              | 19 Vex               |
|                      | 21 Consumer          |
|                      | 22 Give given        |
|                      | 23 Eat into          |
|                      | 25 Sheltered side    |

7	8			9	6		
1				3		4	
4	5	7	1		9		
	4	7		5			6
	3		9		7	5	
9				3		2	1
	7	6		8	1	4	2
		7	2				8
		2	4				3

5	1	2	3	9	4	6	7	8
3	8	6	2	7	1	4	9	5
9	4	7	5	6	8	2	3	1
7	5	1	4	8	6	9	2	3
6	2	8	9	5	3	1	4	7
4	3	9	7	1	2	5	8	6
8	9	3	1	4	5	7	6	2
1	6	4	8	2	7	3	5	9
2	7	5	6	3	9	8	1	4

A	R	A	T	S	B	Y
A	R	U	M	M	A	N
S	C	A	R	B	I	T
C	C	E	D	A	R	V
A	P	E	D	E	T	E
L	A	S	T	S	E	R
G	H	E	R	O	N	S
V	A	G	U	E	R	U
O	N	S	T	A	R	E
W	N					

**DISCLAIMER**  
The views in the articles published here are absolutely the views of the author and The Echo of India does not stand liable for them.