

RED STAR

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On the General Election Results and Post Election Developments

The conduct of the general elections, people's response to it, and the post-election scenario are manifestation of the extent to which the ruling class politics has degenerated.

The election commission, the media and the main political parties—all collaborated to avoid any indepth discussion of the vital economic, and political issues confronting the people. Take the case of the election commission first. The reforms it introduced in the name of reducing expenditure not only failed to prevent the flow of black money and *hawala* money in large doses, but only succeeded in preventing even the bare minimum election propaganda needed by the parties to take their views to the people. Vast areas were untouched by political propaganda. Only those parties having vast resources to bring out vedios and other electronic methods could do propaganda. In effect EC's meares were one of the reasons for such a poor turn- out in this election in many states.

The media also played a heinous game. It focussed on personalities and peripheral issues. Central issues were suppressed. In the name of opinion polls, while predicting a hung Lok Sabha, they repeatedly stated that while Congress may be pushed below 200 strength, BJP shall get more than 200. Thus all possibilities for the 'third force' including regional parties were downplayed. It was a well-planned effort to threaten the people of a hung

Lok Sabha and to compel them to vote for either Congress or BJP.

As far as the main political parties are concerned Congress focussed on stability and local issues. BJP was using Hindutua as a cover for its servitude to imperialist dictated policies. And the third force inspite of its declaration to fight both Congress and BJP, was not ready to put forward an alternative to Rao government's policies. In effect the neocolonisation of the country was by and large neglected in the propaganda.

Alongwith utilisation of money and muscle power as during the previous elections in many states, all these factors contributed to poor turn-out of the voters. In states like Maharashtra, Gujarat and MP minorities and a good section of backward-dalit- adivasi sections did not take the trouble of going to booths and vote. This lack of enthusiasm was mainly due to the absence of a reliable positive alternative before them.

And in the Lok Sabha as well as six assembly elections by and large people voted against the party or front in power: Except in W. Bengal (even there LF got less seats and votes), everywhere those in power tasted defeat. At centre Congress strength was halved from 265 to 135. Among the states that went to poll, Congress lost power in Kerala, Haryana, Assam and Pondicherry, while the Congress- Jayala-

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third force in Maharashtra, Gujarat, Rajasthan, MP and Delhi. In Bihar it increased strength in alliance with Samata Party as central issues were sidelined and focus was on negative performance of the JD government led by Laloo-Prasad including the cattle-feed scandal. The very low voting percentage in Maharashtra, MP and Gujarat also benefited it. But BJP was once again confined to Hindi belt. As an ideology Hindutva was rejected by vast majority of the people.

In this election also once again the centrist, left of centre and left parties and regional parties could not get together based on a minimum programme against Congress and BJP. Even then these parties collected 45 percent of the votes polled and almost equal seats to that of the Hindutva alliance while Congress and BJP received about 30 and 20 percent only. It can be clearly seen that overwhelmingly the people's vote was a negative one against those in power especially Congress. They voted mainly against the ruling class policies, whoever may be implementing them.

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litha alliance was routed in Tamilnadu. It was a clearcut verdict against the economic and political policies pursued by Rao government and the mis-rule of the state governments. This Congress set-back is so severe that there is very little scope for it to revive once again as a party with countrywide influence.

The claims of the Hindutva forces that people's verdict is in their favour is ridiculous. Though BJP's strength went up from 120 to 160, alongwith its allies its strength is far short of majority. Its votes remained almost stagnant around 20 percent. Even this was made possible in the absence of an effective

The election results made the ruling class and the foreign capital interests behind them were really anxious about the future of the globalisation—marketisation policies though they were repeating that whoever comes to power these policies have become irreversible. Though the *Third Force* led by Dewa Gowda was in no way against these policies, the ruling classes went for better options, if possible replace the defeated Congress with BJP. For this purpose so-called constitutional experts and ex-presidents were pressed in to service. Pressure was mounted on the president.

The EC was scheduled to present the list of the new Lok Sabha members to the president by 6 PM on 14 May. But by that time even the formal letter from Congress extending support to Dewa Gowda to form the government would have been delivered. It will create inconvenience. So President telephoned CEC and got the list by 1.45 PM. A meeting with BJP leader was already arranged. At 2 PM Vajpayee met President and he was immediately given appointment letter in the name of precedent, that is, inviting the leader of the largest party. The calculations are clear. First let BJP form a government. If it can manage a

(contd. P. 19)

Sentimental Economists

The liberalisation and globalisation unleashed by the Rao government at the behest of IMF-WB-WTO trio and MNCs have added an alarming dimension to India's much-discussed economic crisis. The new economic policies initiated since 1991 has transformed India as a typical neocolony with a Latin American scenario in the political, economic and cultural spheres of life. Forcible integration of the country with international MNCs unprecedented plunder and global finance capital's unhindered speculative quests has already driven the country to the deep pit of neocolonial debt trap together with allround stagnation in the real productive sectors of the economy including a deindustrialisation process and strangulation of the entire infrastructural sectors like power, transportation and communication. India's vast agricultural sector is fast becoming a mere captive of international agribusiness companies. Stoppage of capital investment by state, progressive withdrawal of all kinds of subsidies and public expenditures on social services such as health and education coupled with a systematic escalation in the administered prices of most essential items of mass consumption, an all time high unemployment and so on, all based on IMF-WB-WTO conditionalities have led to unprecedented devastation and pauperisation of the broad masses of Indian people. Consequently the last five years have also witnessed unparalleled struggles against the government by the working class and other toiling sections.

In response to this highly explosive situation, this period has also yielded a flood of literature vehemently criticising the anti-people policies and depicting the adverse consequences of them on the people. In this context, C. T. Kurien is one of the leading economists who has brought forth a number of articles and books exposing the true essence of the so called structural adjustment programme. The present book (published by Madhyam Books, Delhi) entitled 'Economic Reforms and the People' authored by him and under review here is the latest in this series. It is a collection of articles written between November 1995 and January 1996 and which initially appeared in Frontline. It may be noted that an year before the publication of this work Kurien had written another book 'Global Capitalism and Indian Economy' in

which he had tried to locate India's economic problems in the broader context of the 'emerging global capitalist economy'. To have a comprehensive view on Kurien's approach to Indian economy, it would be in order if both these books are read together.

The book composed of seven chapters, as pointed out by the author himself, is a 'performance audit' of the economic reforms since 1991. After giving a brief account of the background of the structural adjustment programme, the book comes forward with a clear exposition of the hollowness of the tall claims the ruling clique had made about the so called reform process. It is note-worthy that the author, who belongs to a wide array of concerned Indian economists and whose motto is familiarising grave economic issues to interested general public who are not well versed with the nuances of academic economics, has succeeded in giving a vivid picture of the anti-people content of the new economic policies of the Rao government.

In elucidating the circumstances that led to the Rao government's industrial and economic policies, Kurien rightly identifies them as a continuation of the liberalisation and modernisation policies pursued by the Indian rulers in the 1980s, leading to the acute balance of payments crisis that set in towards the close of the decade. In analysing the developments in the eighties (which were the direct offshoot of the Fund-Bank conditionalities associated with the Extended Fund Facility loan from IMF in 1981—an aspect totally ignored by Kurien), in consonance with mainstream criticism, he obviously makes a demarcation between eighties and the period before that. For instance, in full agreement with the usual criticism levelled by the CPI (M) and non-congress centrist parties against the 'import-pushed export-oriented' development strategy pursued by Indira Gandhi and her son and then followed by Singh and Shekar governments in the previous decade. Kurien too finds this policy deviation as the result of a departure from Nehruvian policies pursued till the beginning of early eighties. For instance according to him, "planned economic development since independence had made a perceptible difference to the economy". (P.9) while "it was since the early 1980s that things began to der-

iorate". (P-10) This ahistorical and apolitical segmentation of the post-1947 period in India's economic history into pre-eighties and post-eighties (or Nehruvian and post Nehruvian) after characterising the former as anti imperialist, self-reliant, etc. is the hallmark of all centrist criticisms against the new economic policies. Its objective is to camouflage the essentially comprador class character of the Indian state. In fact, as pointed out by us on several occasions, behind the Nehruvian masks of self-reliance, import-substitution, etc. what occurred had been an ever intensifying process of neocolonisation launched by the U.S. led imperialism in the post World war II period. Documented evidences are there to pin point the fact that right from the time of Nehru onward Indian economic policies had been emanating directly out of the logic of imperialism. In fact, behind the Nehruvian masks of industrial Policy of 1956, MRTP, FERA, Patents Law, etc; as manifested through a whole series of pro-imperialist steps such as the formation of Aid India Consortium in the late fifties, the Green Revolution and export oriented strategies of Industrialisation dictated by World Bank and other international agencies in the sixties, devaluation of the rupee in 1966, numerous anti-people onslaughts culminating in the biggest-ever railway strike in 1974 leading to the declaration of Emergency in 1975 and so on, the Indian state itself was exposed as embodiment of anti-people, comprador and imperialist interests. It is revealing to note that three decades of 'planned' development had transformed India as the biggest debtor to World Bank group in 1979 itself. Without much elaboration, it can be seen that India's eventual plunge to the debt trap and full-fledged capitulation to MNCs are the logical culmination of a continuous process of integration with imperialism right from the time of Nehru onward. Therefore, at the outset, one is constrained to say that Kurien for whom "economic decisions are larger social decisions finding expression through the political process" (P-2), actually fails to approach the economic problem in a historical manner, ie; linking it with the state.

It is a historical fact that the Indian state under Nehru which is being eulogised by Kurien was reluctant to carry out even cosmetic changes in land relations. The deprivation and destitution of Indian farming community which comprises a fourth of world total has been the direct result of this. However, since Keynesianism

together with its welfare prescriptions had been the dominant bourgeois ideology until the seventies, at a global level the neocolonial order of imperialism allowed the state in both imperialist countries and neocolonies to have some form of intervention in the economy. This allowed the Nehruvian state also to propagate slogans of socialism and garibi hatao to hoodwink the masses. Certain anti-monopoly legislations could also be enacted. It is a fact that inspite of these masks, imperialist plunder and poverty of the people were increasing day by day. But Kurien, like other academic economists has a different opinion. Take, for instance, the case of the much trumpeted bank nationalisation. Here Kurien is in full agreement with the official version that this step was intended to achieve public control over "commanding heights" of the economy, balanced regional development, etc. (P-51). However, now it has become increasingly clear that bank nationalisation had been indispensable to subserve the credit needs of the neocolonial programme of green revolution devised by international capital to extend its full fledged control over global agriculture. As a matter of fact, the so called bank nationalisation in India was never applied in the case of foreign banks operating in India which have monopoly control over India's entire external economic transactions and which have been making profits several times than that of domestic banks.

According to Kurien planning in India is to be considered as part of the socialist leanings of the Indian constitution (PP 43-4). Here Kurien does not make a distinction between the so called planning in countries like India where economic activities are led by the profit motive of private owners of means of production and planning as such that took place in erstwhile socialist countries where private ownership of the means of production had been abolished. No doubt, bourgeoisie also resort to some form of 'economic programming' intended to avoid the severity of capitalist anarchy; but it has nothing to do with socialist planning in the classical sense. In the Indian context, though Kurien refers to the Tata-Birla plan that formed the precursor to Nehruvian model, unfortunately, he fails to pinpoint the historical context in which the Indian big bourgeoisie was compelled to devise it. It only indicates the extreme class weakness of the comprador bourgeoisie who on account of being born in the decadent imperialist age had lost the

(contd. P. 15)

otherwise'. For DM this Euro-American world is the absolute reality, the end of history. See how he glorifies in his neo-colonial intellectual role and preaches the virtues of neo-colonial slavery to the foolish Indians in his numerous writings! Why this Russians are not understanding it? Why should not they be happy with the lollipop granted by the Euro-American world?

And if the Russians are not ready to heed the great advice of DM and be contented with lollipops, DM tells them with finality: "It cannot be otherwise, despite the present day Russian rulers, politicians and an amoral, decrepit intelligentsia ritually huffing and puffing about its greatness, unique destiny and role in the world, thus only displaying the addled dregs of chauvinistic imbecility". According to DM *the greatness, unique destiny and role in the world* are reserved for the Euro-American world. It was foolishness on the part of Lenin and Stalin to challenge it. But soon it was rectified by Krushchevites to Gorbachov and Yeltsin. And if anybody tries to challenge it again how can a Euro-American patriot like DM tolerate it? It is absolutely impossible for him as he has proved through this article.

The likes of DM never learn lessons of history. His predecessors in India were pen-pushers for British colonialism. Today he is writing for imperialism which has neo-colonised the country. Similarly if his predecessors wrote geobbelian theses against Communist movement, today he is specialising in vulgarising history and parroting the imperialist propaganda about end of history and new world order. More than anything else, DM and his likes are Euro-American patriots, who have totally sold themselves out to imperialist masters. So it is natural that they loose mental balance and start talking and writing nonsense when Yeltsins and Wallessas are challenged and Communists try to stage a comeback.

DM like intellectuals very well know that Zyuganov is not going to lead a social revolution in Russia towards socialist path. CPRF has adopted socialism with market system' and globalisation of the IMF-WB model. At the most it aspires to return to a state capitalist model. But with the world imperialist system facing a severe crisis, Russia cannot keep away from monetarist policies for long. Naturally Russia under Zyuganov like China

under Dengism will have to accept the domination of market system in all sense unless they adopt socialist path overthrowing the capitalist path presently pursued there. It clearly means that Zyuganov's victory at the best may only delay the open marketisation started by Yeltsin, it cannot reverse it.

But even such a delay is intolerable to the imperialist camp. So its propagandists and intellectuals are employed to attack any deviation from the Yeltsin path. DM like comprador intellectuals are imitating it in the most vulgar forms possible.

Ofcourse the Communists have a lesson or two to learn from this consistency, from this method in the madness of these imperialist propagandists and their comprador pen-pushers like DM.

Mass Line Publications

1. Nehru to Rao: Neo-Colonisation Process in India Rs. 100/-
2. Voluntary/Non governmental..... Rs. 45.00
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The New Economic Policy: A Historical Perspective

(This paper was presented in a discussion on 'Nehru to Rao: The Neo-colonisation Process in India' by P. J. James organised at BUJ hall, Bombay. Com. M. J. Pandey presided).

The New Economic Policy (NEP) initiated by the Rao Government in 1991 is not different from the old economic policy but a continuation and culmination of it. The old economic policy itself is not much different from the economic policy pursued during the colonial period. Though in form there were differences in essence all these policies are the same, intended to exploit the Indian masses. In this objective the Indian capital and the foreign capital have always been close collaborators.

The collaboration of the Indian big bourgeoisie with the foreign capital can be seen from the colonial times. The origin and development of the Indian capital was determined and guided by the British capital. The British government had identified itself with the British industrial bourgeoisie and had taken upon itself the task of protecting it. It is this concern that made the crown intervene to make India a permanent market for British manufactured goods and services and a source for cheap raw materials. Though Britain was the leader of the industrial revolution by the end of the 19th century, it lost its supremacy to European countries and the US. To fight the erosion of the British supremacy they prompted a number of Indian associates to set up industries. These associates were former indigenous merchant class who were liquidated during the 100 years of rule of the East India Company. The company had transformed them into a new class of brokers, speculators and intermediaries to colonialists. This class had a compradorial relationship with the British and helped their economic and political penetration of India. This class that emerged as the big bourgeoisie under the fostering care of the British capital was the prop of British capital rather than having an independent status. Under the British they emerged as a sub-exploiter depending on the British finance capital for capital goods and technology. The *Swadeshi* movement that

some of them advocated was rather a demand for a greater share in the Indian loot rather than a conflict with the British capital.

The eve of independence saw the entry of giant companies into India. As the British left, the US capital penetrated India. Joint ventures were a convenient form of collaboration between the monopolies of the imperialist USA and the Indian bourgeoisie. The tag of *India Limited* camouflaged the integration of Indian capital with the international capital. Through joint ventures the Indian capitalists were co-opted as the junior partner.

Period of Decolonisation

Internationally the 1940's and 1950's were a time of decolonisation as outlined by the US and UK in the Atlantic Treaty of 1941. According to this treaty colonies will be converted into neocolonies and suitable institutions will be created for the same.

On the economic front the Brettonwoods institutions (IMF-WB GATT) will facilitate the operation of the MNCs, the highest form of internationalisation of capital. They have done this by converting the already comprador capital of the neocolonies into junior partners.

On the political front the UN and the Security Council will act as convenient weapons to interfere in the neo-colonies. Ideologically the Truman's Pax Americana will promote fundamentalist, racist, chauvinist movements and voluntary agencies. Militarily the US will maintain its military superiority by establishing military bases all over the globe.

This separation of the imperialist politics and imperialist economics was not a weakening of imperialism. The power was not transferred to the ruling classes of the neocolonies but they were made junior partners.

Strong State

Immediately after the independence the Indian state grew and its intervention in the economic activities multiplied manifold. This

growth of the interventionist state was very much in keeping with the neocolonial path the imperialists were advocating. A strong state was necessary for three reasons. Firstly, the massive investment in science and technology required centralisation of capital. A strong state was also needed to create the necessary infrastructure for smooth functioning of finance capital.

Secondly, international Keynesianism which was the dominant economic philosophy till the mid-sixties needed an activist state to help monopolies by providing effective demand. And finally the neo-Keynesian growth theories, the so-called 'development economics' evolved by the World Bank experts accorded crucial role to the state.

Strategy of Import Substitution

It was under a strong state that the second five year plan, popularly known as Nehru-Mahalanobis model, was adopted by the GOI. This model based on Import Substitution Industrialisation (ISI) Strategy intends to replace imports by domestic production. This model was prepared with the ideas of some 30 economists from different imperialist countries including USA and experts from revisionist Soviet Union. ISI was also evolved as a development strategy for the newly independent countries even earlier to create an illusion that these countries are following an independent developmental path. The shortage of foreign exchange to import manufactured goods was another compelling factor for the rulers to adopt this strategy.

This strategy actually led to more dependence on the MNCs as the import substituting industries were totally dependent on foreign capital and technology. The huge outflow in the form of profits, royalties, dividends, technical fees etc. arising from imports of capital and technology and for food imports led to a foreign exchange crisis in 1958. A delegation of the GOI went to Washington looking for aid to overcome the crisis. The imperialists agreed to give aid but only after the formation of Aid India Consortium to monitor aid under the chairmanship of the W. Bank.

The only objective of the ISI strategy was to increase the dependence on the imperialist countries. This they achieved. Another method used was giving of aid, an euphemism for the export of loan capital.

Export Oriented Industrialisation (E O I)

The strategy of ISI was accommodated till the mid sixties by the imperialists. The timing of it's abandonment was determined by two factors. Firstly the new technology developed in the 60's, communication and transportation (containerisation/air cargo) made geographical distances irrelevant for production. Complex production was changed into multistages of elementary activities that can be performed by unskilled labourers. MNCs initiated steps to tap inexhaustible supply of unemployed cheap labour. What was needed was a more integrated world. World Bank started an aggressive campaign. They declared what is needed is an export oriented, (EOI) strategy. They claimed EOI will ease domestic and external tensions, remove unemployment, increase production, eliminate over-reliance on the export of a few primary goods.

Secondly the failure of Keynesianism in the 1950's made a number of academicians to think that capitalism has overcome it's crisis and transformed itself into a welfare state concept. But the emergence of stagflation and the simultaneous presence of stagnation and inflation, revealed the hollowness of Keynesianism, with the intensification of imperialist crisis from the sixties, once again.

By reducing social services and subsidies, the burden of stagflation was shifted on to the working class in the leading capitalist countries. This monetarist effort is known as Thatcherism and Reaganomics. They also wanted to shift the burden to the neocolonies. The path devised for this was the import induced export oriented growth strategy for them. The structural Adjustment Programme (SAP) initiated by the Fund Bank combine was to facilitate neocolonies to adopt this strategy.

Structural Adjustment Policy

The Fund starts SAP with the ostensible aim of improving BOP. When it extends loans it insists on certain measures, called stabilisation programme. This involves stabilization of three key prices. One, the price of foreign exchange. This means devaluation to reach 'realistic' exchange value. The real objective is to divert resources from the non-tradeable domestic sector to the export sector. Second,

raising bank rate, objective is to destroy whatever is left of the small-scale industry who procure capital locally and to facilitate the flow of speculative foreign capital. And third, wage freeze, i. e. passing anti-union anti-labour laws. This would leave more resources for the private sector and would squeeze in demand because of fall in income. This will reduce domestic absorption and leave surplus for export. All these three measures are expected to increase the capacity to meet foreign obligations.

The Fund also insists on tax reforms to facilitate the smooth flow of foreign goods and service. It also wants reduction of domestic debt to stop internal mobilisation of resources.

While the Fund operates at the macro level, the World Bank brings about SAP at the micro level. It insists on privatisation of the public sector and reorganisation in favour of the trade controlled by the MNCs.

For India the import pushed export oriented growth strategy was outlined in the Bernard Bell report. Bernard Bell led a large economic mission from the World Bank in 1965. They suggested comprehensive import liberalisation including devaluation, a new strategy in agriculture and export oriented strategy. On the suggestions of the Bell commission the rupee was devalued by 57.5% in June 1966. A new strategy in agriculture was initiated which resulted in the *Green Revolution* that converted the erstwhile zamindars into rich farmers. To promote exports *Export Processing Zones (EPZ)* were also started. The green revolution threw up a vast market in neocolonies for agricultural inputs produced by agro-industrial corporations of the MNCs.

In order to ward off criticism against devaluation Indira Gandhi regime enacted some apparently progressive looking measures like bank nationalisation, abolition of privy purse, Patent and MRTP Acts 1970, and FERA in 1973.

Though started early the SAP was formally inaugurated in India in 1981 after India took a loan of 5 billion SDRs from the IMF. The massive plunder of India by the MNCs had resulted in a BOP crisis in 1981. While extending the loan the IMF insisted on a liberalised import regime, relaxation in foreign collaboration, tax relief to exporters and open market policies.

SAP under Rajiv

While Indira Gandhi still kept up the mask of self-reliance and import substitution, Rajiv Gandhi replaced it with "export orientation", "Technological upgradation", "efficiency" and "modernization". MNCs rushed into produce consumer durables. 1980's were declared years of growth for the Indian economy.

The National Front govt. continued with the liberalisation policies suggested by the Fund-Bank combine.

The import-pushed export oriented growth strategy of Rajiv Gandhi helped MNCs to gain more than 100% profits. The boom was limited to consumer durable industries. During this period the number of sick units increased. There were 2,21,097 sick units in March 1990. Unemployment doubled. The govt. steadily raised the issue price of food grains to stabilize agricultural prices. All these showed the vast majority of the Indian people were at the periphery of the new strategy.

There was a scramble to share the loot of the country as is evidenced by the Bofors scandal, sub-marine scandal and what had come to light now, the Hawala scandal. All these indicate the decay of the Indian society under the imperialist plunder. The effect of the SAP of the 80's was the BOP crisis of 1991. The situation was saved initially by pledging 46.91 tonnes of gold by the Chandrasekhar govt. In June July 1991. As soon as Rao came to power, under the tutelage of Fund-Bank combine the SAP was intensified. As a first step the rupee was devalued by 22% as suggested by the Bank. The proclaimed objective is to correct BOP disequilibrium by decreasing imports and increasing exports. But the true objective is to bleed India by deteriorating the terms of trade, allow MNCs to sell their goods at higher prices and import at reduced prices, to divert resources from the domestic sector to the export sector. Devaluation makes Indian labour and assets cheaper for the MNCs. No doubt, devaluation is an effective method of looting India.

Under these policies, glomerously called globalisation, preferential treatment is given to MNCs over the domestic firms. Through mergers and takeovers the MNCs have already started the process of de-industrialisation. Even the so called big industrialists are assuming the role of mere assemblers and fabricators for MNCs.

On Party

A most important lesson from the experience of the international communist movement is that the development and victory of a revolution depend on the existence of revolutionary proletarian party.

There must be a revolutionary party.

There must be a revolutionary party built according to the revolutionary theory and revolutionary style of Marxism-Leninism.

There must be a revolutionary party able to integrate the universal truth of Marxism-Leninism with the concrete practice of the revolution in its own country.

There must be a revolutionary party able to link the leadership closely with the broad masses of the people.

There must be a revolutionary party that perseveres in the truth, correct its errors and knows how to conduct criticism and self-criticism.

Only such a revolutionary party can lead the proletariat and the broad masses of the people in defeating imperialism and its lackeys, winning a thorough victory in national democratic revolution and winning the socialist revolution.

If a party is not a proletarian revolutionary party but a bourgeois reformist party;

If it is not a Marxist-Leninist party but a revisionist party;

If it is not a vanguard party of the prolet-

ariat but a party tailing after the bourgeoisie,

If it is not a party representing the interests of proletariat and all the working people but a party representing the interests of the labour aristocracy;

If it is not an internationalist party but a nationalist party;

If it is not a party that can use its brains to think for itself and acquire an accurate knowledge of the trends of the different classes in its own country through serious investigation and study, and knows how to apply the universal truth of Marxism-Leninism and integrate with the concrete practice of its own country, but instead is a party that parrots the words of others, copies foreign experience without analysis, runs hither and thither in response to the baton of certain persons abroad, and has become a hodge-podge of revisionism, dogmatism and everything but Marxist-Leninist principle;

Then such a party is absolutely incapable of leading the proletariat and the masses in revolutionary struggle, absolutely incapable of winning the revolution and absolutely incapable of fulfilling the great historical mission of the proletariat.

This question all Marxist-Leninists, all class conscious workers and all progressive people everywhere need to ponder deeply.

Some feeble protests were raised against these policies by the Bombay Club and the CII. But true to their comprador nature they have withdrawn and have surrendered to imperialists.

As was the case with many Latin American countries, ownership of several indigenous public sector units is passing on to foreign finance capitalists. The public sector is providing cost-free infrastructure to imperialists. The fund-bank dictated policies of lay-offs, lock-outs, closing down of factories and throwing out of workers and so on have assumed gigantic proportions under the WTO-globalisation policies.

Even as the per capita availability of food grains has steadily declined from 500 grms per day in 1991 to 474 grms in 1994, the govt is planning to export foodgrains in accordance with the wishes of the imperialist masters.

The Mask

The slogans of self-reliance and import sub-

stitution was the mask worn by the Nehru regime. His daughter wore the mask of MRTP Act and FERA and nationalisation of banks.

Nehru perpetuated the impression that if there is more than 50% equity participation the control is in Indian hands. But in US and Japan if more than 10% equity is in foreign hands the firm is considered a foreign firm. Nehru govt. started off with status quo policy towards foreign capital. "Participation of foreign capital and enterprise will be of value to rapid industrialisation of the country", it was stated in the industrial policy resolution of 1949.

After the WB team's visit to India in 1949 the Prime minister made a special statement to parliament on April 16, 1949. In this statement Nehru put forward the positive approach to MNCs.

In the first plan foreign capital was to act as 'catalytic agent' for domestic mobilisation and

How Yugoslavia was Dismantled?

The western media and the intellectuals of the imperialist folds are consistently trying to find out an historical justification for the bloody realities of the remnants of former Yugoslavia for the last many years. The imperialist think tank 'Carnegie Endowment for International Peace' has recently brought out a book, 'The other Balken war' which is a report on the second Balken war of 1913. The second Balken war which is considered as one of the most bloody war of the modern history was broke out in the wake of the collapse of Ottoman empire. 'Carnegie endowment' had deputed a Commission of law experts, political leaders and journalists for preparing a report on the war excesses of Balkens. The 1st world war was broken out in 1914 before the completion of the report and that report is published now with a special forward. George F. Kennan, the foreign affairs expert of US in the forward to the book tries to discover the similarities between the 1913 war and the ongoing racial and ethnic civil war of former Yugoslavia and concludes that the present day dismantling of Yugoslavia and the 'ethnic cleansing' going on there is an inevitable repetition of the ethnic animosities among various Balken People.

What the 'Carnegie' is trying to establish by publishing the report of 1913 war at the

investment. Nehru govt. insisted on foreign collaboration as a pre-condition for getting licences. This insistence led to non-development of technology in India. Indira Gandhi nationalised large banks in India but left out the foreign banks.

As one looks at the historical background of the economic policies one realises that the new economic policies are not much different from the old economic policies. The apparent changes we see in the name of self-reliance and import substitution were changes associated with the transformation of a colony into a full fledged neocolony. What comes to the fore in this analysis is also the class nature of the Indian state. It's willingness or enthusiasm to the junior partner to the imperialist forces. Only a historical analysis of this sort can reveal the octopus like hold of the MNCs over the Indian economy. ●

present juncture is that perpetual animosity is there among various racial and ethnic sections of Yugoslavia and no force can resolve the same amicably and there is nothing unnatural in the present day atrocities of 'ethnic cleansing' going on there. They try their best to conceal the economic and political factors behind the war there and the imperialist machinations and the overt and covert interventions of imperialist forces in Yugoslavia for the last many years which led to the present day war.

While Mr. Warren Zimmermann, the former US ambassador to Yugoslavia has opined that the plight of former Yugoslavia was the outcome of an 'aggressive nationalism' he was endorsing the propaganda of imperialist think tanks like 'Carnegie'.

But a close look at the realities of present day Balkens and those which led to the dismantling of Yugoslavia it is very much clear that one of the major reasons of the ethnic and 'national' chauvinist war in former Yugoslavia is the imperialist sponsored economic and political policies implemented there for last two decades.

Michel Chossudovsky, the Canadian economist who made an in depth study of the economic crisis of former Yugoslavia states that the break up of the Yugoslav federation bears a direct relation to the programme of macro economic restructuring imposed on the Belgrade government by its external creditors ie the imperialist agencies (Economic and Political Weekly, March 2, 1996). With the support of scientifically compiled data and in depth analysis of the economic and social realities of Balkens Chossudovsky establishes that the above said programme adopted in several stages since 1980 contributed to the collapse of the Yugoslav economy leading to the disintegration of the industrial sector and the piecemeal dismantling of the welfare state.

The economic programme implemented under the direction of imperialist agencies have led to the brutal impoverishment of the Yugoslav population and the secessionist tendencies have gained momentum feeding on social and ethnic divisions got strengthened during this period.

The first phase of macro economic reform

was initiated in 1980 shortly before the death of Marshal Tito and the same has led to slower growth, accumulation of foreign debt, devaluation and steep fall in standard of living of ordinary Yugoslav. The reforms and the signing of debt restructuring agreements with official and commercial creditors became instrumental to weaken the institutions of federal state and deep divisions were created among Belgrade and the governments of republics and autonomous provinces.

Michel Chossudovsky quotes from the US National Security Decision Directive (NSDD) issued in 1982 to show that the political developments of Yugoslavia and other East European countries were not accidental but the result of well planned imperialist conspiracy. The said document says of "expanded efforts to promote a 'quite revolution' to overthrow Communist governments and parties "and of reintegrating the countries of eastern Europe into a market oriented economy. As we can see clearly at present the US plan was effectively implemented in all east European countries from Poland to East Germany and in erstwhile Soviet Union.

The second economic stabilisation package implemented with the support of IMF resulted in massive inflation. One of the impacts of import liberalisation and freeze on credit was the unprecedented collapse of investment. The growth of industrial production which was an average of 7.1% per annum during 1966-79 was plunged to 2.8% in 1980-87 following the initial phase of macro economic reform in 1980. Later it plummeted to zero in 1987-88 and to -10.6% in 1990.

The so called "May anti-inflation programme" implemented in 1988 was utter failure and the inflationary process was speeded up. The interest rates worn out the economy and in the climate of total chaos wages were deregulated and the Prime Minister Branko Mikulic was compelled to resign in the wake of the economic collapse.

The pro-US government under the leadership of Ante Markovic which has come to power has continued the economic reforms. The inflation engineered deliberately through many measures including price deregulation and currency devaluations grew to alarming heights and the consumer price index increased by 2700% in 1989. Prime Minister Markovic met US President George Bush at Washington in the

autumn of 1989 just before the collapse of Berlin wall. In exchange of sweeping economic reforms a 'financial aid package' was promised by President Bush. The package included new devalued currency, freezing of wages, curtailment of govt: expenditure and the abrogation of socially owned enterprises under self management.

Chossudovsky points out that the Belgrade govt. has made budget cuts as envisaged in the economic package launched in January 1990 under IMF stand-by arrangement and World Bank structural adjustment loan. The budget cuts led to redirection and suspension of transfer payments to governments of republics and autonomous provinces. The process of political balkanisation and secessionism was fuelled by these economic measures. The government of Serbia rejected Markovic's austerity programme. 6,50,000 Serbian workers demonstrated against these measures. The Trade Union movement irrespective of their ethnic lines united against the imperialist economic reforms.

As per the agreement signed with IMF the government had to make an expenditure cut of 5% of GDP. The real income was continuously getting eroded by inflation. IMF ordered the wage freeze. Prices continued to rise uncontrollably and real wages collapsed by 41% during the 1st half of 1990. The Yugoslav dinar was devalued for a further 30% in January 1991 leading to another round of price hike. In 1991 inflation in Croatia was 14%. It rose to 937% in 1992 and 1134% in 1993.

The full convertibility of dinar, liberalisation of interest rates, further reduction in import quotas and other measures of economic package aggravated the conditions. The creditors were in control of monetary policy. The budgetary process under the direction of IMF and other imperialist agencies crippled the ability of federal state to finance its economic and social programmes. The freeze on all transfer payments to the republic had created a situation of 'de facto secession'. The IMF induced budgetary crisis had engineered the collapse of the federal fiscal structure. Chossudovsky further points to the political pressures on Belgrade by the European Community and the aspirations of Germany to draw the Balkans into its geopolitical orbit had also encouraged the process of secession. All these developments had created the economic and

social conditions for the break up of the federation.

The enterprise reforms adopted under Markovic in 1980 led to the bankruptcy of industrial sector. The economy was massively privatised. The previously existing 'workers' councils' were made ineffective or irrelevant. Social protections available of Yugoslav workers were taken away. A number of legislations beneficial to private capital was enacted with the assistance of western lawyers and consultants. The reform of banking and financial sectors implemented under the guidance of IMF and World Bank led to the total dismantling of Yugoslav banking system. The insurance sector was also reorganised to enable the private capital to exhort maximum profit.

Quoting official figures Chossudovsky points that in less than two years the new measures and methods adopted by the state had led to the lay off of 6 lakh workers out of a total industrial work force of 2.7 million. The largest concentration of bankrupt firms and lay offs were in Serbia, Bosnia-Herzegovina, Macedonia and Kosovo. Many of the socially owned enterprises attempted to avoid bankruptcy through the non payment of wages. 20% of the industrial labour force were not paid during the early months of 1990. The rise in unemployment created an atmosphere of social despair and hopelessness. Chossudovsky quotes from Dimitrije Boarov as follows. "When Mr. Markovic finally started his 'programmed privatisation', the republican oligarchies, who all had visions of a 'national renaissance' of their own.....opted for war which would disguise the real causes of economic catastrophe".

With the deregulation of the trade regime in January 1990 a flood of imported commodities contributed to the further destabilisation of domestic production. The imports were financed by borrowed money under IMF package. This has led to the build up of external debt and displacement and exclusion of domestic producers from their own national market.

The imperialist sponsored austerity measures had laid the basis for the dismantling of Yugoslavia. In the multiparty elections in 1990 economic policy was at the centre of the political debate and the separatist coalitions ousted the communists in Croatia, Bosnia-Herzegovina and Slovenia.

In May '90 the rightist Democratic Union under the leadership of Franjo Tudjman won decisive victory in Croatia. The German foreign minister Hans Deitrich Genscher who was in almost daily contact with Croatin leadership gave his formal assent for the separation of Croatia.

Germany pressured its western allies to grant recognition to Slovenia and Croatia. Thus the formal dismantling of Yugoslavia has become a reality. Western powers including the U.S have engineered the fragmentation of the federation through carefully drawn out economic programmes and conspiratorial political manipulations.

The former Yugoslavia has been carved up under the close scrutiny of its external creditors, its foreign debt carefully divided and allocated to the newly formed republics, each of which is now strangled in separate rescheduling and structural adjustment agreements. The leaders of newly formed republics have fully collaborated with the creditors. The privatisation programmes implemented in republics under the supervision of donors have contributed to a further stage of economic dislocation and impoverisation of population. GDP has declined by as much as 50% in four years from 1990 to 93.

Croatia, Slovenia and Macedonia had entered into separate loan negotiations with the Bretton Woods institutions. The 'shock treatment' adopted in January 1990, prior to secession under Ante Markovic had not fully achieved its objectives and hence another round of 'stabilisation cum-restructuring' was required in the newly formed republics. Thus they have been brought under the full control of imperialist donor agencies.

The IMF programmes being implemented in the seceded republics led to further worsening of unemployment, inflation, erosion in wages, and privatisation of socially owned enterprises. In 1995, the IMF acting on behalf of creditor banks and western governments proposed to redistribute the debt of former Yugoslavia roughly as follows: Serbia and Montenegro-36%; Croatia, 28%; Slovenia, 16%; Bosnia Herzegovina, 16%; and Macedonia, 5%.

All the illeffects of the Bretten woods sponsored programmes are visible in the seceded republics of Balkans. The unemployment,

State Terror in New Forms

Indian state is experimenting with state terror in new forms and has perfected some of the heinous brands to perfection. The sordid techniques now practiced in Kashmir were earlier tested in north-east and Punjab. In 1987 Rajiv government destabilised AGP government in Assam by training Bodos under RAW to make them sharp shooting militants to incite racial hatred and killings. Thus AGP govt. was brought down. Now RAW's agent provocators and planted men among Bodo militants, ULFA factions and numerous other plane-tribesmen are utilised to divide the political spectrum, and the whole northeast is brought under virtual military rule. The blood-letting and terror continues.

In Tripura Rajiv govt. allied with TUJS (Tripura upajathi juba samithi) and its armed wing TNV (Tripura national volunteers) to destabilise the LF government. During February 1988 elections TNV killings became ferocious and Congress managed a majority. On August 12, 1988 Delhi government signed an accord with TNV. The terror politics still haunt Tripura.

In Punjab arrested or surrendered Khalistani militants were won over by the authorities to operate against other groups. DGP, KPS Gill said that his police could not do anything without the help of these 'spotters'. The won over militants called *cats* were given false identity, training and sophisticated arms for wanton killings of those belonging to different groups. Thousands were wiped out in this way. Police succeeded in penetrating all militant groups.

In Kashmir government forces have created an ally in Kukka Parrey. His Ikhwanul Muslimoon, Al Fateh Force led by one Aziz (former Hizb), and Ghulam Nabi Azad led Muslim Mujahideen are working closely with the military, BSF and other state forces. These outfits well-equipped by RAW kill wantonly those belonging to those militant groups which are either demanding an independent Kashmir or accession to Pakistan, as well as journalists, civil rights activists and political leaders opposing Indian state or exposing state terror. Death warrants are issued to opponents of the state creating fear-psychosis. According to Kukka

deteriorated social structures, sharp drop in public resources severe outbreaks of diseases due to the withdrawal of socially controlled public health institutions, and overall impoverishment. The severity of fiscal crisis of these societies are expressed through these calamitous situation. Moreover even the political sovereignty of these republics have lost due to the increased control of the imperialist forces exercised through various donor agencies. As we can see in Bosnia a full fledged colonial administration is installed there by the US and European Union. A non Bosnian is appointed as the high representative (HR) of the administration who is having the right to overrule the governments of Bosnian federation and the Bosnian-Serb Republica Srpska. The HR is to act in close liaison with the IFOR military high command and donor agencies. The so called Bosnian constitution hastily written at Dayton and formally agreed between heads of states mainly protects the interests of western creditors.

When we are trying to look into the developments of Balkans of the last two decades

what we can see is that it was not the perpetual ethnic animosities or racial contadictions among various peoples of former Yugoslavia that led to the disintegration of that country but a systematic intervention of the imperialist forces with the active connivance of the ruling elites of that country which destabilised it and torn the country to warring republics. As Chossudovsky rightly points out the macro-economic restructuring applied in Yugoslavia under the neoliberal policy agenda has unequivocally contributed to the destruction of the entire country. But the global media have carefully overlooked and chose to deny it. They are still presenting that the 'free market' is the only solution to the issue off Balkans. They highlight the cultural, ethnic and religious divisions and present dogmatically as the sole cause of the crisis, when in reality they are the consequence of a much deeper process of economic and political fracturing.

(prepared by BINOY based on the article of Michel Chossudovsky - EPW 9/ XXXI— March 2, 1996)

(from P. 4)

vitality and youthful character of capitalism. As a matter of fact, the dominant role of the state as envisaged in the Bombay Plan as well as in the Nehruvian model was fully in consonance with the then prevailing imperialist perspectives on development.

A reading of Kurien's well-known book 'Global Capitalism and Indian Economy' reveals that the author is quite aware of the nature of on going globalisation, the character of international finance and above all the acute crisis that is confronting the imperialist world economy. But it seems that he abstains from unravelling the proper link between this unprecedented global capitalist crisis and the economic policy deviations that have taken place at a global level. Everybody knows that the so called liberalisation and modernisation in India in the eighties and similar policies in other neocolonies of Asia, Africa and Latin America even much earlier were not the result of any indigenous efforts at changing the existing development strategy. (In this context, it is interesting to note the superficial manner in which Kurien approaches the Fund Bank-led structural adjustment programme in India. He says: "Narasimha Rao, who was searching for something spectacular, must have found this formula backed by the prestige, authority and power of the two global agencies quite appealing mainly because it was available ready-made. All he needed was some one who would implement it" P-8). On the contrary an objective evaluation of the international and domestic developments amply makes it clear that the sudden demise of welfare state concept, the departure from Keynesian policies and the return to already discredited monetarism are all the direct outcome of the prolonged world imperialist crisis called stagflation that set in since the late sixties and early seventies. It led to the unleashing of a process of savage anti-working class policies in imperialist countries as manifested through the notorious Thatcherism in Britain and Reaganomics in U.S.A. In fact, it was to shift the burden of this mounting economic crisis to the shoulders of Afro Asian Latin American neocolonies that they are being subjected to an ever-intensifying plunder by international capital in the form of structural adjustment/globalisation led by IMF-WB-WTO trio. It is also true that even much before the formal collapse of USSR and East European 'Socialist' regimes (the reasons for which are to be historically examined including

their ever-intensifying integration with imperialist market economy), in continuation of Thatcherism and Reaganomics in imperialist centres, the imperialists did begin intensive use of Fund-Bank combine and other neocolonial devices for alleviating their crisis. To be precise, without examining the imperialist machinations implicit in the so called departure from 'self reliant' policies since the eighties in India vis-a-vis the collapse of international Keynesianism, Kurien writes in a very superficial manner thus: "The immediate background to somewhat negative view about the role of the state in economic affairs was the collapse of the state-dominated economic system of the erstwhile socialist regimes in Eastern European countries in the late 1980s and the break up of what was the USSR during the early years of present decade" (P 43). In another context he opines: "when the collapse of socialist regimes took place, it was interpreted as the vindication of market ideology and the rejection of the role of the state in the economic sphere. Hence economic reforms under the sponsorship of the Fund-Bank combine insist that a drastic reduction in the presence of the state in the economy is a must" (P-45). In fact, this is only a quite recent story. Of course, the collapse of erstwhile socialist countries did provide the US-led imperialists an ideological upperhand in their globalisation scheme. But this reasoning should not be allowed to become an obstacle in the path of locating the true course of ongoing policies in the logic of capital itself. It is precisely here that Kurien fails.

At present, available trends in the international economy indicate that the major reason behind global stagflation is basic inability of international capital to develop productive forces at a global level. Leading capitalists in world imperialist centres are fast moving into unproductive service sectors and speculation. The biggest finance magnates, for whose interest the so called globalisation is taking place, are now leading the world economy into unprecedented stagnation and decay. Of the trillions of dollars of global finance capital circulating daily in global money markets only a negligible portion is devoted to real production. As Kurien himself has enumerated in his previous book, the so called liberalisation and globalisation are dragging India into the vortex of international speculation. Through the notorious TRIPS provisions in WTO, international capital is now establishing its full monopoly control over the entire science and technology even relating

to agriculture in the country. The last five years of globalisation has proved that even the biggest 'national' players like Tata, Parle etc. in their respective fields are being swallowed up by MNCs and it was in this context that the 'Bombay Club' was formed as a mark of feeble protest from a section of Indian compradors. Quite recently, similar sentiments are echoed by the Confederation of Indian industries too. The question is what should be the approach to this decadent and parasitic imperialist capital which moves around the globe at jet speed in search of speculative profits and in the process acting as a leach on real productive sectors of global economy. In this context, Kurien who takes an apparent leftist position in the analytical plane seems to have an apologetic and centrist approach to imperialist capital, clearly making a water-tight compartment between the economics and politics of globalisation. To quote him: "There is strength in the argument that the Indian economy should have greater links with the inter-national economy, certainly in terms of trade, and for that purpose some openness to foreign capital may be necessary. It can be granted also that capital from other parts of the world can bring with it technical knowhow advanced technology and newer forms of organisational patterns" (P-78). In fact, an objective evaluation of existing world situation reveals that this is wishful thinking and sheer idealism. Even in the good old days of the so called golden age of capitalism that ended with the beginning of stagflation in the late 1960s; this much trumpeted technology transfer had been a myth propagated by neo classical theorists and imperialist penpushers. At present the ever-intensifying integration of Indian economy with the crisis-ridden and hence rotting imperialist system is recreating stagnation and decay in our country. In this situation a progressive and democratic option is a delinking of our country from the laws of motion of global capital itself. Of course, any talk of such an option is an anathema with the comprador Indian state and its ruling classes whose leaders are exposed themselves as commission agents of MNCs. Unfortunately, economists like Kurien in spite of their vehement criticism of governmental policies and humanitarian sentiments towards the suffering masses are also reluctant to espouse the historically valid option of delinking the country from the imperialist world economy as had been the case with USSR and China in their revolutionary days. At this particular juncture this is the only political alternative before the progressive and democratic

forces in India. An essential pre-requisite of this invariably is the demolition of comprador Indian state itself.

Instead of taking up this crucial question, Kurien concludes his book with the familiar ruling class alternative of a mere change of government at the centre. The concluding sentence of booklet is thus: "The forthcoming general election is an excellent opportunity to mobilise public opinion in favour of such an alternative and to opt for political forces that will put it into action" (P-83). The outcome is very clear. The NF-LF combine or the B.J.P is not going to alter the so called reform process initiated by Rao five years back. As stressed by Jyothi Basu in his Washington press conference on June 23, 1995, whoever comes to power after the general elections, economic reforms will continue unabatedly. At present we are witnessing the same.

Of course, one has to look into Kurien's other piece-meal alternatives too. For instance, he says: "The first step should be to utilise the excess stock of food grains to organise a massive work programme in rural areas directed towards improving irrigation and infrastructural facilities in agriculture" (P-80) In fact, these are not new revelations. This particular programme known as 'food for work programme' in main stream discussion was first envisaged by none other than World Bank economists themselves in the 1950s. The theory behind this programme is that unlimited and inexhaustible supplies of unemployed and underemployed people in poor countries who on account of historical factors are prepared to offer themselves for work at lowest minimum wage can be easily mobilised into large-scale rural and urban construction programmes, provided they are supplied with food for sustenance. The ruling classes in several countries like India have already accepted this as a model for 'rural development'. But one should not equate this programme with the large-scale mobilisation of politically conscious masses into economic construction programmes in a socialist society as was the case with Russia and China. The basic question is one of class relations. Ignoring this, in another context Kurien writes: "The only condition required for protecting social interest in these cases will be to give the local representative bodies, the Panchayati raj institutions, a decisive say in the matter of the utilisation of land and other natural resources" (P-81) Leaving apart the true essence of India's Panchayati raj for the time

being, is it a mere question of land utilisation or the larger question of land ownership that matters. Ultimately land utilisation itself is dictated by the form of land ownership in the country. That is why the Deva Gowda government in Karnataka resorted to a land reform amendment act to suit agribusiness interests in the context of the ongoing globalisation in India.

Kurien does have certain academic alternatives having a global dimension too. For instance, in 'Global Capitalism and Indian Economy' he had argued for a revamped UN to fetch what he called "the durable benefits" of globalisation to India and world people. He says ".....India along with other like-minded countries can and must try to get back to the 1974 UN resolution on the New International Economic Order. Now that leading capitalist countries have also become aware of the need to project the economic rights of their citizens against the aggressive global designs of the MNCs, the climate for an international effort through the UN to deal with economic problems of its members has improved There is no reason why the sustainable development of the peoples of a shrinking world cannot become the core of the agenda of the United Nations" (Global Capitalism and Indian Economy P 126). Quite logically this position is in gross disregard of the comprador character of the Indian state together with the neocolonial global class relations. As was evident in the case of Uruguay Round of GATT negotiations comprador rulers from India and other neocolonies who are paid agents of MNCs have been highly reluctant even to forge a formal unity against international capital. At a time when the neocolonies are coerced to sign the WTO which has totally shattered anything left of national sovereignty in them, and where the entire UN system has been transformed into a political tool in the new world order game at the hands of G-7 led by USA, this prognosis is a sheer illusion. Further, the so called concept of sustainable development propagated by UN and a whole range of imperialist sponsored and funded global NGOs is conspicuously keeping silence on the existing non viable socio-political structures in the world and the non sustainable resource use by imperialist powers. To be precise, the very idea of sustainable development which of late has assumed the stature of an accepted philosophical approach thanks to imperialist think-tanks, is to ensure world sources of resources and markets for MNCs on a continuous basis thereby sustaining

the neocolonial global order as it is.

Here it may also be noted that Kurien's appeal for reforming the UN is not an isolated case. A whole set of radical intellectuals and paradigm builders are working overtime to 'undermine' what they call the reigning model by espousing an alternative development path. No doubt, their painstaking efforts and sympathy towards suffering humankind have yielded a flood of information and in-depth studies on global poverty, MNCs' plunder, debt crisis etc. However, the hallmark of these intellectuals who appear to be radical in the analytical space is the deliberate negation of a class approach in the political sphere. As a result, their critique of existing world order does not lead them to accept the historical task of capturing political power by the people by demolishing all the neocolonial institutions including the imperialist and comprador states alike. Instead like Kurien they are also for reforming and democratising existing neocolonial institutions. A best example is that of Susan George who in one of her latest books opines: "Should the South seek to replace or abolish the IMF? Even if such a Herculean feat were possible, this strikes me as the wrong goal, precisely because the Fund is supra-national and because it is an instrument. If enough pressure and political skill were applied it could become an instrument for governments more enlightened than that of the United States under Reagan" (A Fate Worse Than Debt P-226). Thus intellectuals like Susan George are engaged in a 'Herculean' task of enlightening imperialists thereby leading the world people away from the essential task of social revolution. In a way they are camouflaging the US-led imperialism's neocolonial ambitions behind the establishment of IMF, WB and GATT (later WTO). To expose the hollowness of the above idealistic posture let us end this note by quoting George Bush, the former US president. While addressing the Joint Annual Meeting of the Fund-Bank Combine in Washington he said subtly in 1990: "The political leadership of the IMF and the UN must be matched by the economic leadership of the IMF and the World Bank". (Indian Express September 27, 1990). Thus even in the words of imperialists themselves, imperialist politics and imperialist economics are inseparable. Only the above-mentioned economists are making a demarcation between them. Let us say that economics devoid of politics is nothing more than sentimentalism.

The Elections and the Media

Today taken as a whole the media of all kinds enjoy vast coverage in our country. Every year the number of newspapers and periodicals in English and all Indian languages are considerably increasing. According to available statistics their readership are also showing marked increase. The All India Radio network is quite large covering all languages and all parts of the country. Besides there is government run Door-Darshan network and a host of private channels. As these vast media networks had already covered many of the basic issues confronting the people including the various aspects of the structural Adjustment or New Economic policies initiated under Rao government, it was but natural that many people expected that these issues will be focussed by them during the current elections, especially because it is for electing a new government at centre.

But once the elections were announced the media scrupulously avoided a discussion on any of these issues. See the question are prepared by many of them for so-called opinion polls. Not

a single one carried the column whether you accept or reject the NEP. There was a calculated effort to reduce the discussion to local issues or to religious/caste factors or to projection of personalities. The so-called political heavy-weights including those involved in Hawala cases were projected so much as if it is they and not the policies which matter. The press as well as the electronic media were competing in this disinformation campaign.

Of course they can argue that as the main contestants Congress, BJP and NF-LF did not try to project the basic policies including the NEP, they had no other option. Yes, it is a fact. These three combinations were particular to avoid focussing on NEP and its consequences including entry to WTO as much as possible.

But what is supposed to be the role of media? Leave alone the government media which was specialising for selling Rao government's policies all these years. At least the private media is never tired of telling us about the independence of fourth estate. They always claim that they are engaged in educating the masses. But what did they during the present elections?

All the newspapers, 'national' or regional, even wrote editorials repeatedly saying that no serious issues are raised by the contestants. It was a calculated move. Under this pretext they could black-out all major issues from their pages. They could sensationalise the election scene by projecting stories of individuals contesting in it like in commercial films. Even the type of discussions they used to publish earlier were avoided so that the globalisation-liberalisation policies which is devastating the vast masses will not be a serious issue in the election.

It is no secret that almost all the major newspapers are supporters of NEP and SAP. Except in the case of opening the doors for foreign newspapers, they are for inviting foreign capital and MNCs. Some of them even wrote angry editorials when peasants attacked KFC stall at Bangalore, demanding stringent action against the accused. They have proved that they are nothing but *yellow press* owned by compradors and propagating for neo colonisation of the country. They had vested interests that the economic policies and other basic issues should not be made points of discussion. They

'Vikalpu' Seminar at Jabalpur

Vikalpu, the theoretical cultural publication in Hindi organises a two day seminar at Jabalpur on 22-23 June.

On 22 June: Present Indian situation and question of revolutionary alternative.

On 23 June: Imperialist onslaught in cultural field.

First paper presented by Vikalpu editorial team, while second paper is presented by Prof. Shiamram Sharma.

Prominent political cultural activists from different states are presenting papers and participating in discussion.

Stage and street dramas will be presented by cultural troupes from different centres of MP on both days.

The Reception Committee invites all progressive forces to participate.

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are rightly afraid that such discussions will help the polarisation against these policies.

Freedom of press under a comprador state means licence for the yellow press to serve the interests of the comprador state. Matters concerning vast masses and their struggles for basic rights are not news to them.

What happened during the elections should open the eyes of the progressive forces about the real class character of the yellow media. Methods for propagating people's issues should be developed to combat their disinformation campaign, that is campaign for the ruling classes.

(From P. 2)

confidence vote through horse-trading well and good. Otherwise, if it falls, the next largest party, Congress can be invited. By that time Third Force may get disintegrated or even if a Third Force government is formed with Congress support it can be brought down and either BJP or Congress can return to power. It is with this game-plan president appointed Vajpayee as prime-minister and gave him 15 days for horse-trading. It is a clear cut attempt to sabotage election results. When BJP leaders claim that they shall prove majority when there are no possibilities for it in the normal course, they definitely mean that their managers are engaged in the purchasing of Lok Sabha members.

We are definitely not of the opinion that there are any basic differences between rightist BJP, right of centre-rightist Congress, and centrist-left of centre-leftist Third Force as far as fundamental policy questions are concerned. Still, the manoeuvring of the president to invite Vajpayee when he has no possibility for proving a majority, the delaying tactics of Narasimha Rao, and the immediate initiative taken by foreign and native capital interests to organise a majority for Vajpayee government are clear indications that the ruling classes and their foreign backers have definite preferences. Failure to observe it will lead revolutionary forces to erroneous tactical lines.

The BJP finance minister Jaswant Singh through his first statement has made it clear that Rao government's policies will be pursued more vigorously and all previous contracts and agreements will be fully honoured. It is an effort to show the foreign capital interests that BJP is more dedicated to them than even the

Congress. On other questions like Rama Temple and Kashmir a moderate stand is taken. All these manoeuvres of BJP prove that it is competing with Congress to become the number one comprador party. So, to observe 'anti-communal' days to protest against the invitation to BJP to form the government as done by the Third Force is only diverting attention from the basic issue that for BJP Hindutva is only a cover to gain a mass base among the upper, middle castes of the majority religion for implementing its comprador policies. Even 'Swadeshi' is utilised for this purpose shamelessly.

In spite of these manoeuvres, there are all possibilities for the BJP ministry to fall. It may be replaced by a Third Force ministry supported by Congress. There are possibilities for this ministry's life being cut short and for the formation of a Congress or yet another BJP ministry, or for a new election. These developments are not going to slow down the implementation of structural adjustment policies (SAP) dictated by IMF-WB in any way as some argue. As most of the basic policy decisions are already taken by the Rao government, bureaucracy will carry them forward. In a way, weaker governments will not affect the state's functioning under neocolonisation.

III

Whichever government presents the new budget it is dead sure that it has to resort to many fiscal measures to cut down deficits. These are going to hike prices of essential commodities and charge of essential services further. The monetarist policies under imperialist domination will lead to all-out privatisation, market controls and contract labour system further pauperising the vast masses. The market-based changes in the agrarian sector are also going to devastate the rural masses uprooting millions of agricultural workers and lower-middle peasants. Correspondingly the state machinery will be made more bureaucratic, autocratic and fascist. When the imperialist countries themselves are in increasing crisis, neo-colonial countries like India are bound to face unprecedented crisis, in all fields.

In this situation, irrespective of the wishes of the ruling classes and their political representatives people's struggles are bound to come up more vigorously. It will be an irresistible trend in the coming days. And, it is also an undeniable fact that the ruling class parties of all varieties in the wide-spectrum

INTERNATIONAL SCENE

EU under economic gloom

The European Commission has slashed its growth projections for current year by one percent. It will come down from 2.5 to 1.5 per cent. Current economic gloom is reflected in growing unemployment, daunting budget deficits and revised lower economic growth forecasts in all 15 member countries.

German Bundesbank (central bank) has warned that Germany's rapidly growing public deficit threatens to upset domestic capital markets. Domestic investment will decrease. German Economic Research Institute, IFO, stated that major German industrial companies would continue investing abroad. It is leading to "export of jobs" also. More than a lakh jobs are "exported" or lost. As a result of this stagnation rate of unemployment has reached a record high with more than four million unemployed.

Some 18 million or more are jobless in other EU countries. In this situation the proposed programmes of public spending cuts and other austerity measures are resisted by organised working class movements. Industrial unrest is escalating to more and more countries. Following three week long strikes in France, now

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all major figures involved in these cases in the election like Karunakaran and K. V. Thomas. As CBI had succeeded in getting the case written off in a hurry by a lower court, a campaign for further investigation and restarting of the case is launched.

Reminding the new LDF ministry about its assurance to restart the case and to book those engaged in the espionage case a dharna is organised in front of the state secretariat at Thiruvananthapuram on 25th May. ●

from right to left and the so called non-governmental/voluntary (NGOs/VOs) trends will by their level best to lead these struggle to blind-alleys and to depoliticise them.

The post-election scene poses a great challenge before the revolutionary forces to come out of their sectarian 'mountain-tops', to follow the path of concrete analysis of the concrete situation, and to unite all forces that can be united to lead the coming upsurge of people's struggles in the direction of anti-imperialist, anti-state struggles. ●

Germany is witnessing a spate of warning strikes.

In Spain unemployment is above 22% mark. Trade Unions are opposing proposed spending cuts announced by the centre-right coalition government. They are also opposing 'hire and fire' labour contract system. At the same time the centre-left coalition has also announced \$ 7.7 billion spending cuts forcing its left coalition partners to a tight corner.

The spreading economic gloom in Europe is going to become worse in coming months as economic forecasts warn. More than one lakh employees walked off Germany on Monday, disrupting public transportation, garbage collection and hospital services. Unions began warning strikes on May 9, after breakdown of negotiations on new contracts for 3.2 million public employees. Unions are trying to force the government to drop its proposal for freezing public sector wages for two years as part of an austerity programme. The warning strikes are continuously spreading, it is reported, as the negotiations are not making any headway. ●

Mexico: Workers challenge government-allied leaderships

For most of last half-century, Mexico's major unions worked closely with the government faithfully serving imperialism and compradors. Even when Mexico is caught in a whirlpool of ever-intensifying economic crisis pauperising the workers and other toiling masses more and more, this year also the major government-allied labour confederation called off May Day march. It was an attempt to throttle the workers' movement further and to deny them opportunity to demonstrate their anti-government feelings.

Not cowed down by this in Mexico city itself 40 unions defied the ban on May Day, turning out a stream of workers flowing continuously for many hours through the streets. They opposed the economic policies which cost millions of workers their job. For the last few years the number of unions defying ban of 'official' unions and coming out on May Day was increasing. This year it reached unprecedented levels. Once again the working class has started coming out in ever-larger numbers to defy all bans and to resist anti-worker policies.

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Parrey, he has lost count of those killed by his outfit from among various organisations fighting against Indian state. With official patronage these government sponsored outfits cut down and sell precious trees and engage in even drug-trade, besides govt funding, to amass huge amounts.

Elections may come and go but no change is expected in the ground reality. Most vicious forms of state-terror is imposed. The Delhi government is ready to go to any extent to crush the Kashmiri dissidence. For it, state terror is developed to extreme levels. This is what is called the greatest democracy.

The genesis of these heinous methods of state terror was first tried in early seventies in W. Bengal by Sidharth Sankar Ray govt under the patronage of Indira Gandhi govt at centre utilizing central and state intelligence agencies. Then it was employed for crushing the Naxalbari movement. Today it is perfected and applied wherever anti-state movements are coming up, whatever may be their political character. The comprador state is becoming more fascistic.

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against it working class should be united to wage a conscious struggle with the goal of a New India before them.

Com. Chavan concluded the meeting calling for striving for broader unity in coming days. Ahvan Natya Manch presented revolutionary songs. The meeting concluded in a militant atmosphere with the raising of revolutionary slogans like "workers of the world, unite".

Tamilnadu:

May Day was observed by TUCI units Coimbatore and Madras city. Rallies, public meetings were organised.

Kerala:

In a number of places in Kerala May Day was observed by TUCI units and different trade unions affiliated to TUCI. At important centres like Thrissur, Kochi, Kannur etc. rallies and public meetings were organised which was attended by hundreds of workers.

There are reports about observation of May Day by TUCI units in other places also. At all places slogans like Kick out IMF—WB—WTO—MNCs, Down with NEP and new pension scheme, Confiscate imperialist Capital, write-off imperialist debt, Resist onslaughts against workers and other toiling masses, Workers of the world unite were raised. Determination to intensify the struggle against anti-worker policies of central and state governments was reiterated.

ISRO Case: CBI writes it off, but people resist

Just before the election results started coming out CBI moved the court and got the ISRO espionage case written off. This multi-million espionage case was handed over to CBI when the Kerala police and central intelligence bureau investigations had come across the involvement of Raman Srivastava (IG of police), Ravindra Reddy (nephew of Vijay Bhaskar Reddy, former central minister) and Prabhakar Rao (then prime minister Rao's son) in it. From then on CBI chief Vijay Rama Rao started scuttling the enquiry which has now led to its writing off before Rao government had to quit. Like the French boat's espionage near Kochi port in which Congress MP K. V. Thomas is involved, the ISRO case proves to what extent the Congress leaders and under their patronage the bureaucrats and technocrats are ready to go for making easy money even by selling state-secrets, and to what extent the authorities are ready to go to sabotage any enquiries in to these serious cases.

But the writ moved by an officer of central I.B (who has resigned from service) and Kerala police officer in Kerala High Court has helped once again to draw higher court's attention to the underhand tactics of CBI.

Irrespective of what is growing on in the court, Kerala state committee of CPI (ML) Red Flag has decided to pursue its struggle to compel the authorities to bring out the facts. For the last two years party and mass organisations have organised many agitations on this issue. Mass awareness on CBI's heinous plans under Rao government's prompting was created through campaigns and conventions. During election time a massive campaign on this issue also was organised. It also contributed to the defeat of

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Press Statement

Be Vigilant Against Ruling Class Conspiracies

Appointment of Atal Bihari Vajpayee, BJP leader, as Prime Minister of India by the President when there are no possibilities for him in the normal course to prove his majority and when the Hindutva forces have got only around 20 percent of the votes polled is nothing but granting open license to engage in horse-trading. That the ruling classes and foreign interests are unhappy with the defeat of Congress and are anxious to replace it with BJP is reflected in this hasty presidential action in the name of precedents barely 15 minutes after the constitution of the new Lok Sabha.

The ascendance to power by BJP not only poses the threat of total communalisation. The new finance minister has already stated that the economic policies introduced by previous government will be vigorously pursued and all previous contracts and agreements will be honoured. That is Hindutva is only a tactics to serve imperialist capital in a better manner, as already proved by other varieties of religious fundame-

ntalists in numerous neo-colonial countries.

By inviting BJP based on the numerical strength, it is clear that if it is defeated Congress will be invited next. Thus an atmosphere of large scale horse-trading even compared to the days of Narasimha Rao government is introduced. All round large-scale corruption involving thousands of crores of rupees will further vitiate the situation. In this atmosphere even if the third Front forms a government, both Congress and BJP will have opportunities to scuttle it. All these are manifestations of ever-intensifying degeneration of the ruling class politics. Utilising it the neocolonisation of the country is going to be further accelerated.

We caution the people to be vigilant in this serious situation.

All India Secretary,

C. P. I. (M. L.) Red Flag

16-5-96

may day reports

TUCI, Bombay unit and Diamond Workers Association observed May Day alongwith Trade Union Solidarity Committee, a centre of progressive trade unions at Bhandari Hall, Bombay. From Kamgar Maidan to the hall a rally of hundreds of workers were organised through Parel-Dadar.

Presiding over the meeting com. C. G. Chavan called for resisting the new attacks on working class including the NEP and its new pension scheme. Mr. Badekar of Philips Employees' Union explained in detail how the new pension scheme is a fascistic attack on hard earned rights of workers and called for continuing the struggle till it is withdrawn.

Com. Sanjay Sanghvi explained the crisis faced by the imperialist system and the shifting of its burden to the working class in imperialist countries as well as to those of the poor

countries. Policies of globalisation—privatisation—liberalisation in a concerted attack under IMF-WB-WTO dictates. Against this we should unite at all India level to fight. In this context he cited the glorious history of Mumbai working class in the past.

Com. Girish pointed out the recent history of Dalla Cement Factory workers against privatisation, Chathisgarh Mukti Morcha against contract labour system, Kanoria (WB) and Nellimerla (AP) jute mill workers against closure as heroic struggles.

Com. Sekhar talked about worldwide restructuring compelling the working class to challenge it. He cited French working class struggle and other examples and called for unity at all India level and international solidarity against imperialist onslaughts. Under NEP Indian state is subjecting working class to intensified oppression and

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