

EDITORIAL

RED STAR



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UF Government To Continue Congress Policies

The Common Minimum Programme announced by the UF pledges to continue in essence policies pursued so far by Rao government. It assures encouragements to foreign investments in infrastructure and other priority sectors. Works of Foreign Investment Promotion Board and Board for Industrial and Financial Reconstruction may be reviewed, not reversed. So also the policy of disinvestment. Like the 12 day BJP government has assured the international investors that all previously concluded global commitments will be honoured. Since UF is not ready to withdraw from WTO, what it may do at best is delaying decisions on patent legislation. And even on the IMF-WB directives about changes in the labour laws, the CMP is silent, a reversal from the election manifestos of LF parties and Janatha Dal. As a whole, on the central issue of economic policies the UF has surrendered to Congress dictates for getting its support.

As a result, whatever welfare measures the UF may announce, the consequences of these policies are going to be felt in all sectors soon. For example, whatever the agricultural minister may talk about providing food for the economically backward at reasonable prices, when his prime concern is to augment export of agricultural products including rice and wheat, providing support for those sections who produce for

international market, and removing all restrictions including amending ceiling on agricultural land for it, the cumulative results can be easily foreseen. When on defence and foreign policies also no changes are envisaged, in effect Dewagowda will be leading a Congress ministry under UF camouflage.

This is nothing but a total betrayal of the verdict in the elections. Congress was routed at centre and in the states it was ruling mainly as a protest against its economic policies. Both LF and NF parties had declared in the election manifestos that they will oppose both Congress and BJP. Now, contrary to these assurances, by pledging to follow Congress policies, they have betrayed the people. If they are doing it in the name of preventing BJP from coming to power, by this opportunist act they are on the contrary going to help BJP, as it can make capital out of the resentment of the people against the Congress supported UF regime in the coming days. Thus, people are going to face a real challenge.

Whatever they may say in justification, by supporting or joining the UF government the LF parties have further exposed themselves as camp followers of the comprador forces ruling this country. A division of the ruling class political spectrum in to Congress supported UF regime on the one hand and BJP in opposition on the other poses dangerous portends. (Contd. P.23)

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In the memory of martyrs

All India Martyrs Day is observed on July 28 this year at a very critical time. The post-election developments clearly prove this. The election results are a clear rebuff to the imperialist dictated neo-colonial policies pursued by Rao government. Congress was routed from the centre and the states it was ruling. Even then what the *12-day wonder* that was Vajpayee government did? In a haste it sanctioned the Enron deal. Now the UF government that has replaced BJP government has announced a Common Minimum Programme dedicated to pursue Rao governments' economic policies. That is, irrespective of whichever ruling class alternative comes to power, even if it is a UF including regional and *left* parties, irrespective of the people's verdict all of them are duty-bound to carry forward the neo-colonial policies.

It is this basic understanding about the comprador state in India and the class character of the ruling class parties of all hues which was put forward sharply by Nazalbari struggle and later by CPI (ML) under the leadership of Charu Majumdar in the late 1960s. Rejecting the class collaborationist lines of CPI and CPI (M), CPI (ML) called for an independent proletarian revolutionary alternative of New Democracy overthrowing the rule of the comprador classes. CPI (ML) programme was categorical in its approach towards capture of political power and about carrying forward socialist transformation. The historic significance of the revolutionary line put forward by CPI (ML) lies in this basic approach towards proletarian political power and socialism.

But it is part of our history that the tactical line put forward by CPI (ML) under Charu Majumdar's leadership for capturing political power did not correspond to objective realities. Under the influence of the left sectarian line dominating the ICM then our Party also deviated to sectarian positions resulting in severe setbacks. Today the Marxist-Leninists are engaged in rectifying these sectarian mistakes and in developing the strategy and tactics of New Democratic Revolution

(Contd. P.23)

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On Post-Election Developments And Tasks Before the Communist Revolutionaries

The general elections to eleventh Lok Sabha took place at a time when the ruling political system had lost its credibility before the people more than ever. All the fundamental contradictions in Indian society, the contradiction between Indian people and imperialism, that between broad masses of people and feudalism, that between labour and capital, and the contradiction among the comprador ruling classes had unprecedentedly sharpened in these years of intensifying neo-colonial plunder. The results of the election, and post-election developments including the briefest ever Government led by BJP and formation of Congress supported UF government in quick succession have only further sharpened these contradictions and intensified the crisis in all sectors. These crucial developments have posed a great challenge before the people as a whole and the democratic forces in particular. How to analyse these developments and combat the challenges in front of them have become a critical task before the Communist revolutionaries.

Pre-election situation

The election took place at a time when five years of Rao government had accelerated neo-colonisation to unprecedented levels. The New Economic Policy (NEP) introduced under Structural Adjustment Policies (SAP) prescribed by IMF-World Bank-WTO trio had opened the country fully to foreign capital and MNCs by making FERA and MRTP Act redundant. Under TRIPS, TRIMS and GATS provisions of WTO the process of globalisation was taken to extreme levels.

In June 1991 if the foreign debt was \$ 83.96 billion and rupee value of dollar Rs 21, in five years these figures had gone up to 100 billion dollar and Rs. 35. The projected cost of debt servicing is Rs 60,000 crores, that is about 30% of budget income. Meanwhile the non-plan expenditure increased from 73.1% of total governmental expenditure to 75%, ie from Rs. 76933 crores to Rs. 151503 crores.

As a result the developmental expenditure of both central and state governments went down sharply. Alongwith debt payments, non-plan expenditure and defence spending, the estimated corporate and income tax arrears to be recovered from the rich sections marked an increase from Rs. 6700 to Rs. 22700 crores. And the trade deficit that stood at 1.5 billion dollar in 1991-92 has gone up to about \$ 5 billion now. Though the inflation rate is shown as steadily going down, the government statistics are a travesty of facts as the costs of food grains, pulses, all other food items, medicines, clothes, education, housing and other essential items like bus-train fares etc have continuously gone up during these years and this tendency is continuing even now.

Short-term foreign debts including non-resident deposits with a maturity of more than a year have reached \$ 16.69 billion. Foreign investments in Indian share markets reached more than 7 billion dollars. As speculative foreign investments increase, increasing the total volume of volatile deposits, as the foreign exchange reserves are still much lower at 16 billion dollar than these, when the Rupee shows the tendency of going down drastically as what happened in October 1995, the possibilities for sudden capital flights and a Mexico-like crisis are always there. That is, SAP has only accelerated the crisis-possibilities and Indian economy has come under the total sway of imperialist speculators.

Consequences of these NEP-SAPs were well evident at the time of election. As agrarian sector is being integrated to international market, in order to increase cultivating marketable products on commercial scale, through different means land ceiling laws are by-passed. Land accumulation and utilisation of more and more areas for cash crops, prawn farming, horticulture and floriculture, bringing dry farming areas under social forestry etc, while enriching the rich peasants and plantation owners more and more have made many millions more

landless, pauperised the poor peasants and agricultural workers, and are compelling vast sections to seasonal or permanent migrations, mostly to urban areas. As a result of the deep-sea fishing policy under which fishing licences are given to fleets owning MNCs, millions of fisher folk and workers in allied industries and commerce are made jobless. Not only by achieving commanding heights in manufacture and supply of fertilisers, chemicals, pesticides and farm equipments, but in the supply of seeds, and in the food industries sector also MNCs are increasingly controlling agrarian sector as a whole. Targetted food production in 2000 is brought down compelling import of food items for internal consumption by that time.

Imperialist capital and MNCs were given total sway over industrial sector through privatisation-globalisation-liberalisation. Public sector industries, even those giving continuous profits and serving sensitive areas were disinvested. What was taking place was one form of de-industrialisation. Rich oil-fields like Mukta and Panna were handed over to MNCs and Bailadilla like deals were increasing. As MNCs and comprador big-capitalist firms reaped fabulous profits as a result, lakhs of small scale and medium firms were closed down.

MNCs and foreign firms have made inroads in to service sectors also. In banking sector foreign banks were provided free entry. Telecom was privatised under shady deals. Under WTO provisions ground was prepared for entry into insurance like sectors also. Indian patent acts are thrown out to follow TRIPS of WTO. In infrastructure sectors MNCs are making heavy investments with the prospects of big hikes in energy prices in coming years.

As a result of these policies what actually took place was a massive capital flight from India to the imperialist countries, mainly to US. As still there are some legal restrictions to it, to by-pass them MNCs sell their assets and repatriate the funds. Another method is through abnormal pricing in international trade, or through under-invoicing of exports to and over-invoicing of imports from imperialist countries. Smuggling is yet another method. Enron, Bailadilla like numerous deals at enhanced rates also serve this purpose. As a result as in the case of all other neo-colonies, the capital flight from India is many times more than the

total foreign investments to India.

These corrupt practices breed corruption in all fields involving fabulous sums. Though corruption was rampant in India earlier also, what is happening in the last one decade of liberalisation from the time of Bofors deal was unheard of previously. During the last five years bank-scam, disinvestment of public sector scam, sugar scam, Bailadilla—Enron like deals, Railway-ABB deal, telecom scam and finally hawala scam, to mention only the important ones, have shown to what extent all sectors had become corrupt, and how large number of ruling class political leaders, bureaucrats, army-officers etc have accumulated fabulous sums.

The net results of the NEP-SAPs as far as the working class and all other toiling masses are concerned were growing unemployment, price-rises and as a whole pauperisation. According to Planning Commission figures, between 1991 and 95 the number of people below poverty line increased from 35.6 to 39.6%. Deaths due to the re-emergence of malaria, TB like contagious diseases increased a thousand fold. Drinking water scarcity increased. At the same time under SAPs all the subsidies and welfare measures were cut down. The public distribution system (PDS) is made just a namesake by continuous increase in prices. Number of workers in organised sector is going down while in most of the areas contract labour system with no guarantee of job, working time, and minimum wage is made rampant. Real wages of all workers especially the agricultural workers have gone down.

When all these clearly show the extent to which the vast majority of the people are pauperised, reflect the growing gap between the minority rich and the vast majority of poor, alongwith these developments in the economic scene, in the social, political and cultural fields also neo-colonisation have caused havoc. Uneven development has become an increasing phenomenon. While it is giving rise to numerous movements against national oppression, on the one hand the Indian state is ruthlessly suppressing them even deploying army, and on the other wherever possible they are utilised to divide and weaken people's movements. Even while talking about Mandal Commission Report Rao government did everything to deny social justice. The caste question was utilised as a vote-bank issue by the ruling class parties including BSP. Dalits, Adivasis, and other

backward sections who overwhelmingly constitute agricultural workers, poor peasants and contract workers came under increased exploitation. Women became victims of increasing economic and social harassment and oppression. In the name of development ecological destruction became rampant.

The Hindutva forces led by RSS with their political front BJP communalised the whole country in this period. Demolition of Babri Masjid was a symbol of the fascist face of Hindu fundamentalism. Rao government appeased these forces in its bid to share the Hindu vote bank. And spreading of religious fundamentalism became a clever diversionist tactic to divert people's attention from the ever-intensifying neo-colonialisation.

Besides, the imperialist forces and the comprador ruling sections made conscious efforts to utilise the cultural, and educational fields for spreading their heinous value systems among the people as a whole and children and youth in particular. For this, all advantages of information technology are profusely utilised. Violent attacks are launched against socialist values, and capitalist values are spread along with consumerism to provide an ideological base for neo-colonial slavery and as a necessary background for the unbridled entry of imperialist capital and MNCs. In the name of tourism, sex-tourism and child prostitution are encouraged. In short, under Rao government neo-colonialism in its most heinous and pernicious form had reached unprecedented levels.

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issues involved in the election

The principal issue in this election as far as the vast masses were concerned was NEP-SAPs pursued by the Congress government led by Narasimha Rao during the last five years. Beyond doubt Congress was time and again exposed as the principal comprador party implementing the imperialist dictated policies. For prolonging its heinous rule it was ready to go even to the extent of purchasing MPs as it did with JMM and splitting the parties like Janatha Dal. Also corruption was made univesal during this period. As a result the policies pursued by the Rao Government were the main issues in the election before the broad masses of people.

During the last five years the working class, other toiling masses and the democratic forces as a whole had launched numerous struggles against the policies pursued by Rao government. Against the privatisation-liberalisation-globalisation policies, against disinvestment in public sector, against exit policy' against Dunkel Draft-GATT treaty-WTO, against growing unemployment and price rises, against black acts and suppression etc. Bharat Bandhs, all India general strikes and other forms of struggles were organised with the participation of tens of millions of working class and other toiling sections. Similarly against demolition of Babri Masjid, Communalisation, corruption, imperialist penetration in the cultural field etc also agitations took place. Thus Congress and its reactionary policies were the main targets in this election.

Side by side the growing threat from the Hindutva forces also was a burning issue before the people. Demolition of Babri Masjid even after repeated assurances from its leadership in the courts, in Lok Sabha and before the people is a clear enough proof of its fascist character even if one argue that Gowalker's preaching are irrelevant for RSS today. If Congress is appeasing communalism, BJP is openly advocating it through its campaign of Ayodhya—Mathura—Kashi, one-nation one culture slogan, through its call for imposition of uniform civil code, denial of the federal nature of India, open instigation of communal propaganda and riots, and for th expulsion of so-called immigrants.

This Hindutva is only one aspect of its basic approach. The other aspect is its in-born hatred towards all socialist values, its upholding

of neo-colonialism under pseudo-Swadeshi slogans. Its Swadeshi is in any way not different from the *Aryanisation* or national socialist call of Hitler. In practice it stands for the NEP-SAPs in place of Congress as its state governments are proving in practice wherever it is in power. Like religious fundamentalists of all brands in other neo-colonial countries its projection of nationalism should not in any way be confused with anti-imperialist or democratic outlook.

During this election BJP's effort was to come to power at centre utilising people's hatred towards Congress. It is for this purpose it tried to project a Swadeshi face, while utilising all opportunities to reassure the MNCs as well as the native compradors about its commitment to NEP-SAPs.

In this situation, during this election Congress and BJP were two faces of the same coin and should have been the main targets of the democratic forces.

During the election the question naturally asked by the people all over the country was that can the NF-LF forces become an alternative to both Congress and BJP, or any other regional or other forces can play this role. But the minimum programme presented by the NF-LF parties or the manifesto of other non-Congress, non-BJP parties did not give a clear cut programme against the policies of both Congress and BJP. On the contrary, they were vacillating on all basic issues, and at the best projected a reformist image. Besides in many states they were not a viable force at all, capable of utilising the anti-Congress sentiments among the people. So, even though the elections took place at a critical time and when serious issues were involved, in the absence of a countrywide force challenging the ruling class system and its policies and programmes, the election propaganda naturally became murky, and the basic issues were by and large not raised.

Role of media and ruling class parties

When the country is caught in the whirlpool of neo-colonisation and masses are facing increasing pauperisation day by day the ruling class parties and media saw to it that the principal issues involved in this election including the consequences of the NEP SAPs are not subjected to ser-

ious discussion. This was evident from the interim budget presented by Rao—Manmohan clique just before the elections. In the atmosphere created by the international and national media, repeating the statements of imperialist spokespersons, IMF-WB-WTO representatives, MNCs and Indian compradors about the 'irreversible character of the reform package', the interim budget proposed measures for pushing through the IMF-WB-WTO package making it almost obligatory for the next government to follow it. Further the budget presented was a propaganda bombast based on doctored data to hoodwink the electorate by presenting the reforms as a bonanza. That even the NF-LF parties did not politically challenge the interim budget indicated the coming direction of election propaganda.

Due to the restrictions imposed by the Election Commission on election expenses and propaganda, in this election the media had a very important role to play. And this opportunity was fully utilised by it through a virtual disinformation campaign limiting the news and analysis to personalities, caste-religion formulae, local issues and peripheral matters. At the same time practically everyday it was repeated that whichever combination—Congress or BJP or NF-LF—comes to power the NEP-SAPs will be continued and that like the foreign policy it has become a nationally accepted policy.

Along with this the ruling class preferences among the three alternatives were also openly stated. Congress or BJP in that order was their preference, it was clear. But as Congress was much disliked by people, BJP lacked acceptability of vast majority, and NF-LF had no clear policy perspective, except the non-Congress and non-Hindutva stand, and a strong countrywide presence, it was clear that the new Lok Sabha will be a hung one. Even this possibility was utilised in the numerous *poll-forecasts* to frighten the people about the calamity that may be caused by a hung Lok Sabha, and under this cover to polarise maximum votes for Congress or BJP. Invariably all forecasts reduced the non-Congress, non-BJP parties to insignificant positions. In most of the forecasts, the questionnaires did not include the columns, whether you favour the NEP or not, and whether you accept or oppose the demolition of Babri Masjid. Personalities were projected above policies consciously. Election coverage included repeated large scale reports about the campaigns of the wives and relatives

of Hawala tainted candidates, as if they were the real heroes and heroines. The seriousness of the issues involved were consciously downplayed.

Low turn-out

In spite of the showmanship to win kudos from the petty bourgeois sections, the Election Commission's measures played an important role in cutting down election propaganda in the usual sense using posterage, wall writing, rallies, public meetings etc. At the same time Congress, BJP like forces with immense funds utilised modern costly methods like video cassettes for canvassing. In effect though direct propaganda was cut down vast amounts changed hands and there was no actual reduction in expenditure. And because of the cut down of usual propaganda methods in some states there were areas where people were unaware of elections. It was one of the reasons for the low turn-out in this election.

Though there were elaborate bandobasts there were large scale violence, booth capturing, complaints of rigging in states like Bihar. Congress, BJP and ruling parties in the states used muscle power and police help in their favour. And in Jammu and Kashmir it was an election under duress once again, with armed forces dragging the people to booths.

As a whole people's disenchantment with the ruling class political system became well evident in these elections. In states like Maharashtra, Gujarat and MP where only BJP was there as an alternative to Congress, people's strong disenchantment with both reduced the voting percentage considerably. Minorities in large numbers abstained from voting.

The absence of a positive, active alternative to Congress and BJP also played an important role in reducing voter turn-out. Only about 50 percent voted as a whole. From their long experience people have started recognising that just a government change through an election alone is not going to bring about any significant changes in their lives. They have also started recognising that all these three alternatives before them were representing only different shades in the ruling class political spectrum from right to left.

Election results:

which way do they point

Now that the elections to all 542 seats are

completed and results are announced one thing is very clear. People voted against Congress and its policies. In Lok Sabha its strength was reduced to half and it went down to its lowest ever numbers. Besides in four states where it was ruling and elections took place now it was routed badly. Without any doubt these results fully reflect people's strong resentment against the economic and political policies pursued by the Congress governments both at centre and in the states. Votes polled for Congress also went down to an all time low of less than 30%.

Because BJP with 160 seats became the biggest party in the Lok Sabha and could muster support of 195 MPs behind it the Hindutua forces are vehemently arguing that the verdict is in their favour. This is a frivolous argument. Compared to 1991 elections if Congress votes went down from 36.5 to 29.7%, the BJP votes remained almost static the variation being 20.1 to 20.7%. It shows that it could not gain even when the anti-Congress sentiments of the people was very strong. Even this much seats and votes it could muster mainly because of its gains in states like Maharashtra, MP, Gujarat, Rajasthan, Haryana and Delhi where the Third Force is negligible, and in Bihar because of its alliance with Samatha Party with Kurmi caste backing could utilise the people's displeasure with Janatha Dal which is running the state administration.

So BJP propaganda that it gained the people's mandate to rule as it became the biggest party is meaningless. Its strength is less than one third of Lok Sabha strength, and 80% of the people voted rejected it. Besides it is proved vulnerable even in states it gained maximum MPs if there is a polarisation against it.

In a ruling system like we have in India, and an election system as a part of it, in the elections people's verdict is at best reflected in its rejection of those who were ruling so far, or in their negative votes. So, as pointed out above, what can be categorically stated is that people's verdict was against the imperialist dictated economic policies imposed by Rao government and the politics of Hindutua projected by BJP. Or, people's political mandate eventhough through protest vote, is very clear.

Putting BJP in power

The existing constitutional provisions called

for, after the election and announcement of results, the constitution of the Lok Sabha, initiating government forming measures by president, and finally inviting the leader of a party or combination which can command the confidence of the majority in the Lok Sabha. Well before the constitution of the Lok Sabha at 1.45 PM on 15 May, the UF had claimed support of 171 MPs, and Congress support to it was also communicated to president. Even though BJP is the largest party it had no possibility of commanding a majority. Even through large scale horse-trading possibility to win support of 70 MPs was remote. Even then what was behind the hasty presidential action of inviting Vajpayee to form a government just 15 minutes after receiving Election Commission's letter?

BJP leaders themselves had stated earlier that they will not try to form a government if they do not get more than 215 MPs. But even when the strength of their party and partners was 74 short of a simple majority, immediately after getting President's invitation they rushed to form the ministry! As BJP spokespersons stated once they were in power, they thought, it is easier to win more support, repeating what Rao did earlier, this time in a much bigger way.

Putting BJP in power when it had absolutely no possibility of getting majority support, and when UF with Congress support had staked its claims, is a pointer towards what is going to happen in future. As the election results started coming out and possibility of BJP becoming the largest party was becoming clear, vested native and foreign interests had started their move to install BJP in power in the place of defeated Congress. Some ex-presidents and retired bureaucrats were pressed in to service to interpret constitutional provisions and precedents in such a way that President first call BJP. Congress leadership, especially Narasimha Rao, helped this move by delaying sending his party's support to UF through a formal letter. At the culmination of these nefarious moves Vajpayee who had no possibility of getting a majority was installed as Prime Minister.

Why it was done so became clear in the days to follow. The wavering *Sensex* figures started steadying and started soaring soon. The President's speech on May 24 stated that "economic reforms will be accelerated". It

also stated about "shedding out-dated structures of control and regulations, and reequipping government for its new role of providing a supportive framework for free market operations for growth". It pledged to follow Rao government's all other policies and to respect all agreements so far signed. Except a statement on cow-protection, it did not mention the Hindutva agenda or the Swadeshi, but stressed on continuity in economic policies. BJP ministers stated that all previous commitments to WTO shall be honoured and a new patents regime on GATT terms will be introduced. Positive signals to international investors were sent.

It was a constitutional coup that misfired. BJP government could not become anything more than a 13 day wonder. But even when the confidence vote was being debated Vajpayee ministry found time to ratify the agreement with Baron thus removing any apprehensions anybody had about BJP's commitment to follow imperialist dictated policies better than Congress did. That the soaring *Sensex* figures started dipping when reports about BJP government's likely fall started spreading is an indication of how the imperialists and native compradors see BJP as the best replacement for Congress.

UF government: policies, perspectives

The delay in sending the formal letter to President Shankar Dayal Sharma pledging support to a UF government led by Deve Gowda from Narasimha Rao's office served two purposes at a time. One, if the corporate and comprador lobby succeeds in installing a BJP regime well and good. Two, as BJP was not going to get majority support, on the one hand BJP will loose face and on the other Congress will get sufficient time to pressurise Deve Gowda and through him UF in to submission. Rao was particular that the anti-Congressist should be removed from UF agenda and that UF should be compelled to accept the NEP-SAPs and the commitments to WTO. The 15 days delay in installing Deve Gowda ministry helped Rao immensely in scoring on all these points. As usual through cunning moves he ensured that UF government for all practical purposes will be a continuation of his government. Through this at least for the time being Rao made sure that he will continue as unchallenged Congress leader. Another important point he scored was the unwritten under-

standing with Deve Gowda about slow-peddalling the numerous corruption charges against him, his family members and other top Congress leaders.

The Congress tactics are very clear. It knows well that either to win over sufficient forces to form a government under its leadership or to face another general election it needs time. Meanwhile it can pressurise Deve Gowda government more and more to toe Congress policies. Side by side it can also try to overcome the difficulties posed by the numerous corruption charges. It can get its own candidate or one who is acceptable to it elected as next president. And at an appropriate time most suited to it, the UF government can be toppled and try to come back to power in the name of stability. Even if a leadership change takes place, in the main these tactics are going to be followed. Opponents of Narasimha Rao are calculating that if he is compelled to step down from the Congress leadership, or if necessary removed from the leadership, those who have left Congress in recent past can be brought back making it the largest party in Lok Sabha once again, and staking claims for forming a government led by it at an appropriate time. Thus, irrespective of the fact whether Rao continues in leadership or not, Congress will be pursuing its diehard reactionary comprador policies. It is supporting the UF government not for any secular, progressive aims as the UF constituents including the LF parties are trying to convince their followers. It is doing so only to get its own policies implemented by the UF for the time being, and to get back to power as early as possible to continue its historical task of serving the interests of imperialism and its native compradors.

The *Common Minimum Programme (CMP)* announced by the UF shows that Congress has scored its first victory. It pledges to "continue the economic reforms with a human face" as P. Chidambaram the commerce minister in Rao ministry and UF's finance minister repeats borrowing words from Manmohan Singh. CMP encourages foreign investments in infrastructure and priority sectors. It outlines removal of all controls hampering the growth of agricultural sector. It indicates further entry of MNCs and foreign capital to all service sectors. It commits to honour all past agreements. Besides the CMP is silent about many of the controversial issues like changing 1970 patent act to suit WTO, the telecom deal, Enron like agreements,

and on the role of MNCs. As far as the working class is concerned, though the CMP is not saying anything about any impending changes in labour laws to bring them in tune with the market oriented economy, there are sufficient indications in its various other sections that the UF government do not intend to continue with a very large workforce in the public sector and to continue to pay those in 'sick' industries. As disinvestment in public sector is going to be continued and as pressure mounts from investors, both foreign and native, even this stand is bound to change irrespective of the fond hopes of the TU leaderships.

As far as the working class is concerned the negative fallouts of globalisation, liberalisation, privatisation are (1) the implied exit policy, the employer's right to hire and fire, to close down sick industrial units and to retrench workers; (2) segmentation of the labour force; (3) drive for more and more productivity and (4) an end to expansion of the public sector. These were issues continuously raised in the worker's agitations during last five years. But the CMP is not specific on any of these issues; by implication it means that the Congress policies will be followed in the main. All these and more were explicit in Deve Gowda's statement immediately after taking oath that the economic reforms started by erstwhile Congress government in 1991 shall be followed. To those who wanted more clarification he asserted that the way his government in Karnataka was performing for last one and half years will prove his commitment to these reforms.

Of course the CMP includes many other issues like greater autonomy of states, updating Sarkaria Commission recommendations, settlement of Babri Masjid dispute through Supreme Court orders, level playing ground for domestic industries, more education facilities, a Lok Pal covering the prime minister also, more autonomy for Jammu and Kashmir, better relations with Pakistan etc. Easier said than done. previous governments had also promised these. But what happened to those promises? Any of these policy shifts in their true sense can be implemented only linked with an economic policy for a self-reliant socialist development policy and with a determination for basic changes in the ruling system. That is why the economic policies assume paramount importance.

As far as the LF parties are concerned all of them have canvassed votes in this election

opposing both Congress and BJP. Even while implementing the Rao government's policies wherever they are leading the state governments or are part of them, all of them were opposing these policies in their election manifestos and election propaganda. For example CPI (M) Manifesto said "The economic policies of unbridled liberalisation has led to large scale privatisation. Multinational Corporations have gained entry in to the core sectors of telecommunications, power, coal, steel, oil etc. The financial sector is being sold off. The financial sector—banks, insurance etc is sought to be privatised. At the same time, the country's total debt has crossed Rs. 6 lakhs crores. The interest payment on this in the current years is over Rs. 60,000 crores, equivalent to our entire fiscal deficit in the current year. The net result has been the mortgaging of the economy and undermining its self-reliant basis". The joint statement by the LF parties, Janatha Dal and the Samajvadi Party before the election also expressed similar views. All of them had assured a reversal of these policies. But what has happened now?

When two of the commonly cited reasons for Congress being voted out of power are the people's protest against its NEP, and the degree of corruption that became rampant connected with these policies, the CMP put forward by the UF is nothing but a betrayal of the people's verdict, even if it was expressed in the form of a protest vote.

And the UF government is going to be severely tested in practice on these basic approaches in coming days when it is going to present the budget and start governing, now that it has crossed the first hurdle of confidence vote. In his 1995-96 budget and 1996-97 interim budget, Manmohan Singh had conceded more than what he had revealed about the state of economy. And even what he revealed was not the whole truth. He revealed only what was good for the elections and concealed the crisis situation facing the economy. For example the fiscal deficit for 1995-96 was Rs. 64,000 crores or 5.9% of the GDP. The interest burden has crossed Rs 60,000 crores in the current year. Besides, after three years of growth, the economy is slowing down to 5%. Agricultural production growth rate is expected to be hardly 1%. Industrial production is also going down. Contrary to cooked-up governmental statistics, inflation rate is increasing. The rupee is going to continuously under pressure. That is, all the

details about the critical condition faced by the country put forward while analysing the pre-election situation above are going to compel the UF government to further accelerate the *economic reform policies* as finance minister has already indicated.

As the CMP indicates, to get over present bottlenecks the UF government requires foreign investment of over \$ 200 billion in infrastructure sectors of power, oil, telecom, railways, roads and ports. If the FDI under Congress regime was 2 billion dollar annually, and if the short-lived BJP government talked about 4 billion dollar, the UF has to go for 10 billion dollar a year. Opening up of insurance sector and other service sectors has to be speeded up. No question of reversal of privatisation measures and telecom-Enron like deals. At the least the LF parties can claim that all these are done with a human face to satisfy the gullible. Or, as the CPI(M) politbureau spokesman said on June 7 they can reserve the right to protest against opening up of the insurance sector. He explained: "Though CMP has ruled out disinvestment of nationalised banks and public sector insurance companies like LIC and GIC, it however allowed the entry of private and foreign companies in the insurance sector with whom the public sector units would have to compete." Then he added: "CPI(M) reserve the right to protest against the manner in which this would be implemented, if it is found to be detrimental to the interests of the country". So our great leaders of CPI (M) and their left friends agitated all these years against privatisation without knowing whether it will be detrimental to the country or not. Now they will let it implemented by the UF government and observe whether it is detrimental or not. Then they will have their rights reserved to fight against it! What great political sagacity!

A great challenge before the democratic forces

The statement issued by CPI(ML) Red Flag before this election had pointed out: "The general elections to the eleventh Lok Sabha and six state Assemblies are taking place at a crucial time. The country is passing through an ever-intensifying economic-political crisis. The consequences of IMF-WB dictated SAPs, entry in to WTO, and opening the country for imperialist capital and MNCs have led to unprecedented pauperisation of the broad

masses. Even the partial gains won by the toiling masses are snatched away one by one. It is an aggressive counter revolutionary onslaught by the ruling system against the broad masses.

"The Congress led by Narasimha Rao is the principal enemy before the people. It has led the country towards allround neo-colonial slavery. Similarly the BJP is aspiring to come to power with the very same economic-political agenda of Congress with a Hindutua facade. Basically both these parties represent the very same class interests and are main enemies of the people.

"At the same time the experience of the Janatha experiment in 1977 or the Janatha Dal experiment of 1989 have proved that these alternatives cannot bring about any basic shift in the governmental policies in favour of the broad masses". The post-election developments have further proved the correctness of this statement. The UF government is only going to be a stop-gap arrangement. At an appropriate time, either through a reshuffling of the forces already in the Lok Sabha or through another election it may be replaced by a government led by either Congress or BJP to further accelerate the implementation of the imperialist dictated policies under a more stable government. It is the desire and the plan of the ruling classes and their imperialist backers. As far as the broad masses of people are concerned it is going to be like "from frying pan to fire".

For, inspite of the rout in the elections Congress will never change its policies in any way. Remember, even after getting voted out after emergency in 1977, it has never expressed regret for the emergency rule. In its more than a century of history, it has consistently served the interests of the comprador big bourgeois, big landlord classes. After the transfer of power in 1947, it served the neo-colonial interests of imperialism. And during the last five years it implemented the imperialist dictated economic reform package. Only renegades and simpletons will argue that Congress can be reformed, and in alliance with Congress the Hindutua forces can be combatted and secularism can be saved. If the emergency rule symbolises its fascist character, the anti-Sikh massacre following the killing of Indira Gandhi and open abetting of the demolition of Babri Masjid symbolises its appeasement of communa-

lism. Maintaining any sort of illusions still about Congress amounts to nothing but gross betrayal of people's interests.

As far as the UF constituents, especially the LF parties are concerned, they have betrayed the confidence bestowed on them by the people believing their anti-Congress, anti-BJP positions expressed in their manifestos and speeches. By seeking Congress support and putting forward a CMP which is basically not different from the policies implemented by Rao government during the last five years, these parties are repeating their performance during Rao regime in a most shameless manner. They are not feeling guilty consciousness for implementing the policies which are overwhelmingly rejected by people by voting out Congress in this election. Thus the UF government has turned out to be a Congress government in disguise.

These developments are posing greater threats before the people, as conditions are becoming more favourable for BJP to return to power utilising the anti-Congress sentiments among the people.

The post-election developments point towards further neo-colonisation enslaving all sectors to imperialist domination, growing communalisation and state terror, alongwith the danger of increasing fascicisation of the state.

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Collapse of Former Socialist Regimes: The Role of Imperialism Getting Exposed

To many people within the folds of the revisionist parties like CPI and CPM in India and many other progressive and democratic minded people all over the world the collapse of the 'socialist' regimes of East Europe and the disintegration of Soviet Union during late eighties and early nineties was an accident. They were thinking that the process of socialist construction was in progress in those countries and the one third of the globe under socialist rule was marching ahead and that was why the news of collapse of those regimes was a real shock to them. Eventhough many of the Marxist-Leninist parties the world over had correctly pointed out decades ago that most of the so called socialist states had turned to the capitalist path due to the deviation in political and ideological lines followed by them many of the people who had laid their expectations and hope in socialist system were not in a position to understand what really was happening in those countries.

The reasons behind the collapse of the former socialist regimes of East Europe and erstwhile Soviet Union are still under evaluation. The erroneous political and ideological lines followed by the leaderships of the communist parties of those countries are being looked into. The forces which were operating within and without these countries which were instrumental in the destruction of the system are being identified. As the recent developments like election results of some east European countries have shown the people of many of these countries are trying to express their political will to bring back the remnants of former communist parties to power.

There is no doubt that the so called socialist regimes of East Europe and Soviet Union were not following the political ideological lines of Marxism-Leninism. They were practicing revisionism or capitalism with superficial or formal variations. They were not in a position to find the realities of various contradictions of these societies and to resolve them in a Marxist-Leninist way. The crisis of the capitalist path followed by them was one of the reasons for their collapse. At the same time

imperialist forces under the leadership of US was using every methods of overt and covert nature to engineer the overthrow of these regimes.

Eventhough they were well aware that the rulers of East Europe and Soviet Union were neither communist nor the administration machinery under them has anything to do with socialism the imperialist forces were not ready to tolerate even the existence of a ruling system with a name of 'socialism' or under the leadership of a party named communist. They have used every method to destabilise those regimes and to employ all kinds of clandestine styles of operation to materialise the destruction of these regimes. The efforts from their part have become successful in Poland during late eighties and the series of collapse extended to that of Soviet Union during early nineties.

While the bourgeois intellectuals all over the world are eager to discover the inhumanness of those regimes, the irrationality of the concepts of socialism and the inevitability of the end of those administrations they deliberately choose to hide the part played by imperialist forces in bringing down those regimes and the methods employed by them to inculcate discontent among the people of those countries and to promote insurgencies against the rulers.

As the 'secret sensitive' documents US National Security Decision Directive (NS DD54) issued in 1982 pertaining to Eastern-Europe said in clearcut terms the US imperialism was continuing its 'expanded efforts to promote a 'quiet revolution' to overthrow Communist Governments and parties' while reintegrating them into market oriented economy. Intervention through the imperialist financial agencies like IMF, WB, promotion of insurgent activities, induction of discontent among the people and manipulation by means of intelligence agencies like CIA and Mossad were part of that programme. US imperialism was employing a strategy of psychological, economic, political and military warfare against those countries as pointed out by Peter Schweizer, the American author in his book, 'Victory'.

He who was close to Reagan administration observes that the strategy developed by the aides of US ruling system contributed decisively to the breakdown of the Soviet Union

Peter Schweizer exposes in his book how the Reagan administration made use of CIA to start a secret clandestine war to 'liberate'

Poland and other 'oppressed' nations of East Europe. The CIA relied on a few of its secret agents in Poland and Mossad and on secret services of Vatican for its operation there.

According to Schweizer William Casey the chief of CIA had to use 'solidarity' the 'independent' trade union which led the struggle

(From P. 11)

It is a great challenge before the patriotic democratic forces as a whole. How to combat it is the urgent task before them today.

Task before the patriotic democratic forces

When Congress and BJP as the main representatives of the comprador interests are firmly pursuing their anti-people reactionary policies and the UF government including the LF parties is serving as an apologist for the Congress leadership, only the revolutionary forces can take initiative to mobilise the patriotic democratic forces at all India level around an anti-imperialist anti-feudal democratic programme. That the working class and other toiling masses are prepared to fight against the IMF-WB-WTO dictated NEP-SAPs and combat the Hindutva forces was proved time and again during the last five years. This period witnessed numerous resistance struggles by the patriotic democratic forces. Every act of surrender and sell-out was challenged by them. More and more progressive sections joined their ranks. This growing people's resistance was reflected in the routing of congress in this election.

In the pre-election situation, in a joint statement approved by the All India Anti-imperialist Convention held at Delhi on January 1, 1996, the revolutionary forces had already stated: "Under the present allround imperialist offensive the neo-colonial exploitation and plunder of our country has grown to unprecedented levels. The whole country is being thrown open wide for the domination and control of the giant MNCs and financial institutions of the imperialists. This has led to grave economic crisis and to rising burden on the people causing unprecedented sufferings to all sections of people.

"Ruling Congress governments, especially the present Narasimha Rao government are

shamelessly following the dictates of imperialist powers and implementing the 'new' economic policies to serve the interests of imperialism and their Indian compradors. They have ratified GATT treaty and joined WTO ignoring countrywide protests. BJP and parties of NF-LF though pretending to oppose some aspects of these policies, are implementing the very same policies in the states where they are in power.

"Interests of the people of the country demand that the present offensive of the imperialist powers against the people of this country should be opposed and beaten back. The present situation requires that the revolutionary, patriotic and democratic forces launch continuous struggles on the following demands:

1. Quit WTO
2. Kick out MNCs - IMF - World Bank
3. Write off imperialist debts
4. Scrap 'new' economic policies—privatisation, liberalisation, globalisation."

The present situation urgently calls for building up of a revolutionary left platform based on these slogans and other democratic demands around which the patriotic democratic forces as a whole comprising the working class and all other toiling masses can be mobilised at all India level. It should launch continuous struggles against the comprador policies enslaving the country and pauperising the masses and should serve as a people's alternative against the ruling class alternatives and their apologists.

We appeal to all revolutionary, patriotic and democratic forces to come together, to get united, based on an anti imperialist, anti-feudal democratic programme, and to become committed to pursue a continuous course of agitation to beat back the present neo-colonial onslaught by the imperialists and their native compradors, and to build up a countrywide people's alternative.

against 'socialist' rulers of Poland and other dissident movements there. He has to further rely upon American Trade Unions like AFL-CIO which were providing advice, training and financial support to solidarity. In 1980 alone it had sent something like 150000 dollars to Poland. The CIA chief wanted to set up briefings with AFL-CIO to get intelligence on the internal situations in Poland. They had worked also through the channels of trade unions and the social democrat parties amongst whom the Swedish party played a crucial role.

Eventhough the Polish administration has declared martial law on December 12, 1981 and thousands of solidarity leaders were arrested the US agencies were capable to facilitate the clandestine functioning of their mechanisms in Poland. They have provided critical funds to solidarity to sustain the movement. Advanced communication equipments to organise effective network for the solidarity underground were supplied. Selected individuals were trained to use these equipments. According to Peter Schweizer the CIA assets were used as the eyes and ears of solidarity and critical intelligence were shared when appropriate. It was on April 12, 1982 four months after the crackdown citizens in Warsaw heard the inaugural broadcast of 'solidarity radio'.

The CIA even managed to penetrate the Polish government. They even recruited a deputy minister of defence to operate clandestinely for them. As the crackdown on the solidarity got intensified the Reagan administration started a worldwide programme of economic warfare including harsh economic sanctions to hit Soviet Union and Poland. 'Solidarity' was used as a tool of CIA and western powers. The operation continued till the final goal of overthrowing the 'socialist' government of Poland was achieved and the imperialist puppet Leh Walesa was installed in power.

Similar was the case of Afghanistan where the CIA and US imperialism intervened more openly to thwart the Soviet plan there. One of the major covert operations of CIA in 1981, when Casey became the Director of it was the support for Mujahideens fighting Soviets in Afghanistan. In one of the meetings with his staff Casey said, "The captive nations are our best allies. We have got to make the Communists feel the heat. We need to bleed them".

In March 1982 Casey explained his plan to use the counter revolutionary warfare in

Afghanistan as a model for the whole third world. "The super power competition in the third world is taking a lot of energy. There are new insurgencies developing in the third world. These are like the anti colonial movements of the 1950s and '60s and the communist insurgencies of 1960s and '70s. Only this time they are fighting communists. We need to be backing these movements with money and political muscle. If we can get the soviets to expend enough resources, it will create fissures in the system. We need half a dozen Afghanistans".

As pointed out by Peter Schweizer Afghan war was one of the most extensive and sophisticated covert operations by CIA and the American army in history. Arms for Mujahideen fighters were purchased on the international market with Saudi money and CIA was flying them from Dhahran to Islamabad. Military warfare against the Soviet troops was accompanied by economic warfare. Oil prices in the international market was manipulated by the US with the active co-operation of its West Asian allies to damage the soviet economy. The war was costing the soviets 3 to 4 billion dollars per year.

More sophisticated and modern warfare was employed in Afghanistan from 1984-85. The most advanced American technology was put into use. CIA spy satellites were extensively used. Satellite maps and targets were made available to Mujahideen fighters. Tens of thousands of Mujahideen fighters were trained and pumped out to the battle fields. The CIA has used the ethnic tensions in various Soviet republics to further their ends. They started military operations inside Soviet territory, in Turkmenistan, Uzbekistan and Tajikistan. Northern Afghanistan was being used as a springboard to Soviet Central Asia.

The collapse of the Soviet Union was the triumph of the extreme right and fascist forces of imperialism led by Reagan and Thatcher. The Afghan case was a rallying point for all anti communist forces in a world wide political economical and military war against the ruling systems existed under the banner of socialism.

It is true that the so called communist parties which led the administrative systems of those countries had created a situation conducive to the interventions and manipulations of the imperialist forces. The capitalist road followed

P. J. James

Gowda Government: A Higher Stage in the Path of Globalisation

Reports coming from various sources clearly indicate that the Gowda government is all set to carry on the neocolonial globalisation programme on a new higher level by adding new thrust areas to it. In this context Gowda, like his predecessor Rao, is whole heartedly pursuing all the relevant guidelines coming from imperialist quarters. As a matter of fact, on the eve of Rao's ascendance to power in 1991, the IMF in its 'World Economic Outlook' published during May 1991 had specifically exhorted the urgent need for a 'shock therapy' to the Indian economy. Reminiscent of its appeal in 1991, this time also, in the context of a new central government in India, the IMF in its 'World Economic Outlook' of May 1996 had categorically pointed out that Indian economy has to "make further progress in budgetary consolidation and structural reform". The key requirement is to further cut down the role of the state in the economy. With reference to countries like India which have already attracted substantial foreign investment over the years, the IMF report also indicated the need for maintaining the momentum of reforms. Echoing this IMF perspective on India, on June 2, 1996, the New York Times in its editorial has cautioned the newly installed Gowda government regarding any laxity in continuing with the 'reform package' for "that could lead to a breakdown in the

by them led them to the final collapse and the complete integration of those ruling systems with the imperialist market economy. But while the Marxist Leninist forces criticizing those parties and the erroneous ideology they practiced it should also be born in mind that the imperialist forces were deliberately trying for decades to dismantle the socialist system and they were employing all kinds of methods for that purpose. We have to be sure that our criticisms of the revisionist ideologies of the managers of the former socialist administrations of those countries are not to get identified knowingly or unknowingly with the imperialist strategy to dismantle anything existing under the banner of socialism.

Binoy

fiscal and monetary discipline demanded by the World Bank and International Monetary Fund"

Such apprehensions were totally set aside by Gowda himself who proclaimed 'no reversal of economic reforms' in his first address to the nation as prime minister. It is also interesting to note that by this time V. P. Singh who presided over the Fund Bank combines 'import-pushed export led strategy' towards the close of the eighties has come forward with his new theory of synthesis of world economy and Indian realities". Elaborating his thesis he said that "in the present day economic situation one could not grow in isolation and the country would have to depend on foreign investment—a position similar to that of more radical CPI (M). Keeping in view of his role as the 'king-maker' he also pleaded that India should accept the challenge of the competitive world economy and argued for the further opening up of Indian agriculture to agri business operations. This was followed by the declaration of Chidambaram, acclaimed as the chosen architect of the new phase of globalisation, that tax reforms as well as financial sector reforms would be continued to attract foreign capital.

This was the context that brought forward United Front (UF) government's version of the 'reform package' euphemistically called Common Minimum Programme (CMP) on June 5 which upheld "the need for flow of foreign funds for infrastructure development" and which pointed out the existence of "room for public and private sector companies to coexist and compete in the financial sector". Within no time, comprador media began to "pragmatic and positive", "one step forward", etc. Comprador associations such as Indo-American Chamber of Commerce (IACC), Assocham, FICCI, and so on came forward whole heartedly welcoming the CMP. To their delight, industries minister M. Maran said: "The CMP of United Front has given a mandate to the government to ensure flow of FDI to the tune of \$ 10 billion a year and we will have to live upto it". He added that the UF government "would make efforts to make India an attractive destination

for overseas investment'. Asserting that his government was committed to the continuation of the liberalisation process, Maran further said: "We have an open mind and we may further prune the existing list of 15 areas of industries where private participation is not allowed". No doubt, the UF government is committed to take the 'reform process' to its logical culmination. To have permanent arrangement for demolishing the public sector, Maran even spoke of the intention of creating a disinvestment commission to advise the government in selling out the public sector units (PSUs).

In fact, the CMP released by Gowda has proclaimed that in "large profit making PSUs like SAIL" and "in profit-making and efficient ones" there would be no disinvestment. This was interpreted by none other than CPI (M) polit bureau member Yechury as a "big achievement" in his press statement. However, on June 10 itself, the Finance Ministry under Chidambaram declared its intention to disinvest six large and profit-making PSUs, viz, ONGC, IOC, MTNL (Mahanagar Telephone Nigam Limited), SAIL, VSNL (Videsh Sanchar Nigam Limited) and SCI (Shipping Corporation of India). However, information from DEA (Department of Economic Affairs) that monitors this demolition process indicates that this is only a modest beginning under the UF government. It is reported that after the presentation of the Budget, the government will be going to disinvest almost all the leading PSUs one by one. Air India is a best example. Unlike under Rao where the PSUs were auctioned out collectively, this time they are to be disinvested individually. At present DEA is of the opinion that the share offer should be of a substantial percentage of a PSU at a time and that the sell-out is to be made more attractive to financiers in the broader perspective of privatisation. Now it is reported that CPI (M)'s trade union leadership is trying to have a berth in the disinvestment commission to be constituted by Gowda government.

In banking and insurance sectors, the new phase of globalisation is going to be accelerated with unprecedented fury. For, shortly after the swearing in of Gowda—Chidambaram company, the Reserve Bank of India in its "Report on Trend and Progress of Banking in India 1994-95" released in the first week of June has urged that the stage is set for the next set of reforms in the banking sector. It said: "The

first phase of deregulation of interest rates has been successful. The next step should be to further deregulate lending rates by linking the concessional rates to prime lending rate and then move towards a complete deregulation of deposit rate". This means that even the nominally existing differential and concessional rates now applicable to priority sectors are to be taken away completely. Regarding the proposed reforms in the insurance sector it would be apt to quote Chidambaram's own words. In an interview with The Wall Street Journal on June 16, he said: "India's state-controlled insurance sector will be opened to foreign investment, which would be wooed with more vigour". He expects \$ 50 billion by way of investment from abroad in the next five years. According to him the government also intends to liberalise ownership rules to allow MNCs to have larger equity stakes in more industries. No doubt, the process of de-industrialisation initiated by Rao-Manmohan clique is to assume a new dimension under Gowda Chidambaram regime. In this realm, just like Manmohan, the imperialist and comprador media have their firm faith in Chidambaram too. They say: "Chidambaram is not a new comer and is well versed with the economic problems and knows exactly what is left unfinished in the agenda of economic reforms, having been a key player in the previous Narasimha Rao regime..... That the new Finance Minister does possess the skill to handle the issues deftly and patiently, there is little doubt".

Of course, the most crucial task outlined in the CMP and reiterated by Chidambaram has been the UF government's pledge to cut the fiscal deficit to 4 percent of GDP in five years down from 5.9 percent last year. This has been one of the most consistent and standard conditionalities of Fund-Bank combine's neocolonial programme of structural adjustment and stabilisation. In simple terms it only means the heaviest squeeze on the broad masses of toiling people and the most liberal provisions for plunder by traitorous sections. As per the Fund-Bank guidelines the Finance Ministry on June 17 has unveiled a very rigorous plan of austerity measures whose major thrust is a freeze on employment and wages in various ministries and departments throughout the country. The directive among other things says: Every ministry and department should indicate manpower reduction plans and consequent expenditure reduction when formulating budget estimates". Reduced taxes on corporate income and enhanced

Russian Elections

The last six months witnessed all out efforts by imperialism and all forces of reaction to get Yeltsin elected again as Russian president. US imperialists threatened to stop all 'aids' if the 'communist' Zyuganov is elected. Imperialists and IMF—WB like agencies pumped in billions of dollars to clear arrears of wages of workers and for a few welfare measures which were stopped for last six years. The new-born Russian mafia gangs got generous foreign funds to work for Yeltsin. The reactionary

Russian Orthodox Church came out frantically calling for preventing the return of Communists. To cap it all Yeltsin did unheard of things even during Indian elections, to threaten his opponents and appease voters openly.

In spite of all this Yeltsin could get only 34.82% of votes compared to Zyuganov's 32.13 out of the 70% voting. According to Russian laws the next president will be elected in another round of voting with these two as candidates

subsidies in various forms (eg. export subsidy) to finance magnates coupled with withdrawal of all forms of subsidies and social spending oriented to poor people are also part of the directive. There is also hint for an increase in the administered prices of essential economic services like postal services, electricity (according to commitments already given to multinational power companies like Euron, Cogentrix, etc.), and transport. Since the deficit in the oil pool account on the basis of modest estimates has crossed the Rs. 6000 crore mark administered prices of petroleum products are also to be increased. It is quite revealing that this unprecedented assault on the livelihood and jobs of crores of Indian people and which will inaugurate a new wave of wage cuts and retrenchments has been the immediate fall-out of Chidambaram's pre-budget discussions with comprador organisations such as FICCI, Assocham, etc.

These developments have prompted the so called NRIs, traitorous class to come forward solidly supporting Gowda and his government. For instance, while lauding the UF government for its 'clear-cut' CMP, Swaraj-Paul, the London-based NRI opines: "All that foreign investors wanted was a clear-cut economic policy in India with less discretion and more transparency". G. P Hinduja who is also notorious regarding several anti-national scandals right from the time of Rajiv Gandhi onward, supported the CMP for the "broad national political consensus" reflected in it, while All India Association of Industries another NRI outfit has clearly identified "encouraging signals" from Gowda government. Satisfied by Gowda's re-affirmation on the irreversibility of economic reforms Frank Wisner, US ambassador to India said: "... we welcome the new governments's reaffirmation

of continuing the economic reform policies, given India's need to attract foreign capital and at the same time, to create for itself foreign markets".

Encouraged by these responses from foreign speculative interests, within a week, the speculative mood within the country also began flaring up. For instance, during the second week of June 1996 the Bombay Sensitive Index marked a sudden jump of 183 points leading to the Sensex surpassing its 52 week high on June 12.

To be precise, the imperialists have reiterated their firm faith in Gowda government. The New York times editorial already referred by us has also praised the record of Gowda as the chief minister of Karnataka in making it "most hospitable to foreign investment. In fact, one of the most heinous acts immediately carried out by Gowda after his swearing in has been to provide full Central clearance for the ecologically harmful Cogentrix project in Karnataka by extending counter-guarantee from the union government as demanded by that MNC as in the case of Euron. It may be noted that like Euron, Cogentrix is also one of the eight fast track projects already initiated by Rao government in the power sector. It is very revealing that the CPI (M) and other radicals who support-Gowda and who were in the forefront of vehemently criticising the counter-guarantee provided to Euron by the previous BJP government are conspicuously silent. No doubt, it is high time that we must understand the efforts by the UF government to add a 'human face' to the 'reform process' as yet another duplicity engineered by the ruling classes and their imperialist on the Indian people.

Economic Policy in CMP: Extension and Expansion of Congress Policies

The central issue during this election campaign was the New Economic Policies (NEP) and Structural Adjustments (SAPs) implemented by Rao government during last five years taking neo-colonisation to unprecedented levels. As explained many times already, this issue may not have been put forward in a clear-cut way to help the people to distinguish their enemies and friends. But still Congress had canvassed for stability to continue these policies. So the strong rebuff it got from the people can be correctly termed as rejection of these policies by them. The joint statement of LF parties, SP and Janatha Dal before the election had focussed on their objection to these policies. Even the BJP in spite of it being as comprador in character as the Congress did not openly defend the NEP - SAPs and tried to project a pseudo-Swadeshi image.

on July 3. Now Yeltsin has launched a new round of offensive breaking his previous heinous records. He has appointed Alexander Lebed who stood third in the first round with 14% votes as the head of powerful Security Council and is offering many carrots to the rightist economist Yevlinsky who was fifth in the first round. Once again US imperialists, mafia gangs and Church are on the scene raising the spectre of communism and calling for Yeltsin's victory.

Meanwhile Zyuganov has stated that after election he is going to dissolve the Communist Party of Russian Federation and form a patriotic democratic party. If elected he will only follow a reformist policy and continue the economic policies pursued by Yeltsin. The only difference between Yeltsin and the 'communist' Zyuganov is that while Yeltsin has surrendered Russia totally to US and other imperialists, Zyuganov is calling for a national rejuvenation. Even this is not acceptable to the imperialists. They know exactly which side of the bread is buttered even if Zyuganov starts crawling. Imperialism and reaction is not going to compromise to the slightest extent.

Russian elections once again prove that imperialists are ready to go to any extent to put their henchmen in power and for retaining them by resorting to all nefarious means.

The reasons were clear. Though the rich had become richer phenomenally during the last five years, vast majority had become poorer. Prices of all essential commodities shot up. Unemployment reached unprecedented levels. Agricultural workers and poor peasants were compelled to flee from their areas in search of jobs. Lakhs of small and medium scale industrial units were closed down throwing many lakhs to the streets. All democratic rights of the working class were increasingly snatched away. Besides globalisation and market system made corruption rampant and it took megascales. People's growing opposition to these developments was reflected in the election and Congress was routed.

As a result, even though the foreign interests, the compradors and the media were propagating relentlessly that the reforms are irreversible even if Congress is defeated, many expected that respecting people's mandate in the form of protest vote against Congress will be respected. There may be some substantial changes in the NEP. First, the BJP government through the presidential speech which called for "acceleration of the NEP" and FDIs, and by its hasty approval of Enron deal proved that in its basic policies it is not different from Congress. Now the UF government through the *Common Minimum Programme* it has announced has proved that in spite of people's verdict, and in spite of what the UF constituents propagated during elections, it is going ahead along the footsteps of Congress policies. A glance through it proves that the CMP is nothing but a continuation and further expansion of Congress policies put forward by Rao government.

Under economic policies the CMP states that "UF is committed to faster economic growth". Though it talks about "growth with social justice" this social justice is not defined. Growth or development is not something abstract, in a class divided society it has a class orientation. So growth with what class orientation? capitalistic or socialistic? is the basic question. As the CMP envisages yearly FDI of \$ 10 billion, hundreds of billion dollars for infrastructural developments, debt servicing with full responsibility to IMF and WB, increased entry of MNCs etc and globalisation-market system under IMF-WB-WTO directives

India has to follow the monetarist prescriptions of the imperialist system today. This integration with imperialist market system can only lead to neo colonisation, to a distorted or comprador capitalist development. And that is what we are witnessing in India now. Under such a course of development welfare measures to the masses or social justice will remain only as illusions. As the CMP is committed to respect all international agreements signed so far and promises to follow the NEP-SAPs (with a human face of course), these talks about social justice is meaningless. Rs. 60,000 crores a year debt servicing and Rs. 64000 crore fiscal deficit plus 5 billion dollar trade deficit in 1995-96 call for further cut in PDS and other social service expenditures. So the CMP is nothing but the new finance minister and Rao's commerce minister P. Chidambaram's policy statement with a few populist jargons added by the CPI(M) representative Sitaram Yechury in order to continue and expand the NEP under the UF government.

Let us take a few cases and analyse. About agriculture though it has added a sentence about implementation of land reforms in the end, the whole stress is on developing agrarian sector to integrate it with international market. It does not talk anything about reversing the new land reforms introduced by Dewa Gowda as chief minister of Karnataka or in other states to facilitate land accumulation under comprador agriculturists and corporate managements. On the contrary the new agriculture minister talks about expansion of green revolution in all areas with more induction of technology and inputs through MNCs.

Under sub-head industry though CMP talks about stimulating domestic capital formation, compared to Rao government's targets for 5 billion dollar FDI per year it looks forward to 10 billion dollar FDI. UF government promises to develop corporate sector by all means to help market economy. To implement WTO conditionalities a tariff commission will be appointed. Public sector will be reorganised on commercial lines. A disinvestment commission will be appointed not to end it but to promote it in new forms. In short the MNCs, the corporate sector, public sector and even small scale units are promised everything under the sun. Where such a policy will lead to is not difficult to understand.

For infrastructure development cumulative

requirement in next five years is calculated as 200 billion dollar. "Ample room for all modes of investment—public and private, domestic and foreign..... The scope, functions and the procedures of the Foreign Investment Promotion Board will be reviewed in order to make it an effective and credible instrument to promote foreign investment....." Read together the meaning is clear. "There is room for public and private sector companies to co-exist and compete in the financial sector..... The said experience will be applied to the restructuring of the insurance industry....." Contrary to what the CMP explains, if one goes even by the experience of what is happening in the banking sector after the entry of foreign banks, it is not difficult to understand what will happen with the entry of foreign agencies in insurance like sectors.

Under fiscal management, the CMP promises to stick to IMF-WB directions. Thus in every respect the CMP has created confidence among the foreign investors, MNCs, corporate sector and NRIs. As a result first time after 1994 Sensex figures have gone higher than 4000. Imperialist chieftains are happy. The CII, Assochem and FICCI have announced support and have advised to keep this line in the coming budget also.

In spite of Sitaram Yechury's 'socialist' phrases Chidambaram has succeeded to make things clearer than Manmohan Singh. With the full support of even the LF parties led by CPI(M) and with CPI's ministry participation, the UF under Dewa Gowda is going to continue and expand Rao government's policies further integrating Indian economy with the global capitalist imperialist system.

Vikalpu Seminar Postponed

Due to technical problems the two day Seminar proposed to be organised by Vikalpu is postponed to October.

For copies of Vikalpu write/send MO or DD to:

Ravindra Shukla,
22 Swastik Complex,
Rasol Chowk, Napier Town,
Jabalpur-482001, M. P.

Cola: Advertisements which kill

The celebration by Coca-cola of the taking over of *Thumps-up* trade mark was with a 50 second thriller ad in television. It showed a champion diver making breath taking jump from a cliff to swoop down on a Thumps-up truck and bouncing back with a bottle. A seven-year old boy from Lucknow died attempting a similar dive from his terrace. Following strong protests the ad was withdrawn.

But the advertising companies are unhappy. They ask what if a boy died. They have inserted ads in yellow press to protest the withdrawal. They also opposed any censorship of TV ads. The MNC's collaboration in ad concerns has made them bold enough to reject with contempt the *stray* incidents like the boy's death as a necessary price to achieve development.

Immunity to central armed forces

The Armed Forces Special Powers Act promulgated in 1958 is imposed in most of the states in Northeast where military, BSF and CRPF are employed in the name of putting down militancy. Under it members of armed forces down to the rank of a non-commissioned officer, a naik or havildar, can shoot and kill anyone. No legal proceedings can be instituted by any civilian authority without the permission of central government. Using this privilege army personnel are engaging in killings, looting and raping of women at their will. Hundreds of such cases are reported from all areas wherever army was/is deployed in different states.

The army attacks on civilians in Nagland during 1994 and January-February 1995 reached such levels that there was a continuous powerful public outcry against them. Nagaland government was compelled to institute a commission of enquiry to it under a retired high-court judge. But when the commission was about to complete its work, now the Supreme Court on a petition by Union defence ministry has ordered the state government to stop the probe as per the provisions of the above act.

This Supreme Court verdict goes against the fundamental rights claimed to be enshrined by

the constitution. Instead of answering this basic question raised through numerous writs moved by citizens against this act by keeping them pending before the divisional bench, through the speedy disposal of the case moved by defence ministry, Supreme Court has exposed its real character. Besides, what is left of the federalism as written in the Constitution after this SC verdict calls for discussion. Meanwhile the armed forces are given licence to loot, rape and kill with immunity.

Monetarism breeds TB and Malaria

WHO has issued a grave warning about the havoc created by *resistant strains of TB bacilli* by killing more people due to TB during 1995 than ever before. That TB and Malaria are killing millions in the neo-colonies after their return with a vengeance from the end of eighties was not even a news for WHO and the imperialist capitals. But they are also "returning with a vengeance to the wealthy countries". TB has already cost "New York city hundreds of millions of dollars.....and has now been reported in London, Milan, Paris, Atlanta and Chicago". Naturally the imperialist chieftains are alarmed. They never thought globalisation will have such side-effects like import of 'third world diseases' to their havens.

In the post-war years, when socialist forces were advancing, the imperialists were also compelled to take up at least few welfare measures like health care, eradication of diseases like TB, Malaria etc. They had their effects around the world. But as socialist forces suffered setback and all former socialist countries collapsed, the imperialists put monetarism in command, market in control. All welfare measures are cut down. IMF-WB ordered stringent SAPs and cutting down of all subsidies and 'wasteful expenditure'. Naturally what was in check has come back with vengeance. TB, Malaria like diseases are already killing millions in the neo-colonies. WHO is not concerned about their spread to imperialist countries only. Imperialists refuse to accept that these are gifts of their New World Order under monetarism.

Ad units queuing up for MNC tieups

The opening up of the Indian market to the multinationals has given golden opportunity to

the big foreign advertising agencies to position themselves in this country and in the process, there has been a mad rush for equity collaborations between the national agencies and the overseas ones.

More and more agencies have gone in for collaborations getting business through the respective MNC agency for the particular transnational company in India.

While HTA tops the chart, with capital billing of Rs 410 crore and the gross income for 1994-95 being Rs 61 crore. Its clients include Coca Cola, Ray Ban, Citibank, Ford, Motorola, National Panasonic, Air India and Hero Honda among several others.

On second place comes Lintas, which has a 40 percent equity of Lintas Worldwide, based in New York. Its employees strength in India exceeds 550, and the capitalised billing of Rs 340 crore with a gross income for the year ended at Rs. 50 crore. Linta's major clients include Maruti Udyog Limited (MUL), Johnson and Johnson, Compaque, Siemens, Mesco, RPG, Bajaj Auto, Timex and Shriram Refrigeration.

This is followed by Mudra, in collaboration with DBB Needham, in 1987, with a capitalised billing of over Rs. 240 crore and a gross income of Rs. 36 crore in 1994-95. The company has the accounts of Cadburry Schweppes, Huchinson Max, HCL, Hewlett Packard, JK Industries, Lotus Bawa and TISCO, Samsung, Nestle and Pepsi Namkeen.

Closely following the pack is Ogilvy & Mather (O&M), an agency born in 1928, with the majority parent company O&M Worldwide having a 40 percent equity in the majority held Indians subsidiary.

The Calcutta-based Pressman is a 50 percent subsidiary of the UK-based Ludgate Pressman Ltd. This is an under Rs. 150 crore worth capital billing company, also among the top ten. Others include Trikaya, which has a 40 percent stake of the New York-based Grey Advertising.

Another Indian agency to have gone in for collaboration being the R. K. Swamy Advertising, in which the US-based BBDO has a 20 percent equity. This is followed by Contract, the second Indian agency in which there is a 40 percent stake by J. Walter Thompson (JWT) of USA.

The last among the top ten advertising agencies is MAA Bozell, which has a 20 percent stake of Bozell, USA.

May Day programme in Orissa

Working class and other toiling masses of Orissa observed May Day as anti-imperialist day at many places.

At Tihidi in Bhadrak district Orissa Kheta Mulia Sanghatan and RYF organised a mass programme. Through wall-writing, poster and leafletting significance of May Day was propagated in advance. After hoisting of red flag at 4 pm hundreds of people participated in a rally to the block office raising anti-imperialist anti feudal democratic slogans. They called for an end to NEP and contract labour system. They demanded minimum wages and their implementation for agricultural workers. Public meeting was organised. Dr. Narayan, Surendra Behara, Sivaram and Binod Sahu spoke explaining the significance of observing May Day this year when attacks on working class is daily increasing. They called on the people to work for a revolutionary alternative. Comrades organised by Jan Sanskruti Manch presented revolutionary songs.

At Talapada also Kheta Mulia Sanghatan and RYF organised rally and public meeting. Cultural programmes also were presented.

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terms once they come to power. See what happened to Mulayam Singh Yadav, the SP leader, who was talking about a confederation of India, Pakistan and Bangladesh as a solution to present conflicts. Once he became defence minister he has abandoned these ideas as utterances only fit for those in opposition. Now he has demanded more defence expenditure and the armed forces hierarchy has vehemently supported it.

All these developments show that UF government also cannot and will not take any positive steps to improve relations with the neighbouring countries. Any government can move in that direction only if take a self-reliant progressive policy which is basically anti-imperialist. Pursuing imperialist dictated economic policies and at the same time talking about a progressive political orientation including a foreign policy which stresses friendly relations with neighbouring countries are basically contradictory positions.

UF AND INDO - PAK RELATIONS

The CMP published by the UF on 5 June states while discussing its foreign policy: "Good and friendly relations with neighbouring countries will receive the highest priority. The SAARC Forum and SAPTA leading to SAFTA will be the principal instruments through which close and friendly relations will be forged between India and her South Asian neighbours".

This and the welfare measures and social justice at home are projected by the advocates of Left Front to justify their membership in the UF. According to a CPI (M) politbureau member this CMP is going to lead the country forward. But what all of them conceal is that the central theme of the CMP is the economic policy which is nothing but a continuation and development of Rao government's policies. And so long as this IMF-WB-WTO dictated economic policy and consequent political policies subordinating national interests to imperialist interests are continued any basic shift in the foreign policy or internal policies are impossible, what happened to Indo-Pak relations in the two weeks following UF take over at Delhi prove this.

Immediately after Dewagowda ministry took over, unlike the one line congratulation sent to BJP government, Pakistan prime minister sends a congratulatory message calling for resuming unconditional bilateral discussions for resolving the outstanding issues and to improve relations. Following this we read a report that Pakistan government has cleared mutual trade with immediate effect. There were positive response from Dewagowda government and soon it reciprocated by agreeing for resuming bilateral discussions soon. This much was a repetition of what happened earlier in 1977, 80, 84, 89, and 1991. Each time when a new government took over such sentiments were expressed. But soon the US government and the comprador interests in India had succeeded in sabotaging any positive steps in this direction. As the governments who took over themselves were serving comprador interests SAARC remained ineffective, SAFTA remained a distant dream, and relations of Indian govt. with neighbouring countries continued to deteriorate. Now, quite opposite to what is being propagated about it by the LF spokespersons, almost the same thing has happened now.

Exactly on the day when UF govt. won the confidence vote in Lok Sabha Washington

Times reported a leak from US intelligence agencies that Pakistan has deployed N-capable M-11 missiles targetting Delhi and other important places in India. If this leak was published by the media all over India with maximum importance on 13 June, next day newspapers and electronic media covered reactions from prominent leaders of all parties that India should retaliate by deploying prithvi and other ballistic missile systems against Pakistan and that rocketry and N-system should be developed very fast. Neither the government nor these spokespersons waited to verify the news before reacting.

Next day newspapers and other media carried the US government spokesperson's statement calling on India govt. to ignore CIA report published in Washington Times. "These leaks do not amount to anything". He criticised the leaker or leakers within US administration and hoped that India and Pakistan will resolve their problems peacefully. This is just an eye-wash. The damage is already done. *hawks* within Indian ruling system and so-called analysts of Army, Navy and Air Force and of the newspapers are building up a propaganda offensive against any rapprochement with Pakistan. Even the LF parties are competing with them. That is, just an "intelligence leakage" is sufficient to turn what is said about improving Indo-Pak relations in the CMP upside down.

Imperialists, now mainly US imperialism, are consciously trying to divide the South Asian countries similar to what they are doing in other regions. They do everything possible to deteriorate the relations among them. Only in this way they can prolong their hegemony over the neo-colonial countries, promote local conflicts and encourage arms-race among them helping the highly profitable arms trade.

Besides even nominal steps to improve relations among SAARC countries, to work for SAFTA, to develop trade relations among them etc at their own initiative are against the *globalisation package* the imperialists propose.

So even any consistent talks of South Asian co-operation is violently attacked. There are powerful agencies created within and outside the governments of SAARC countries in close liason with imperialist centres for discouraging even nominal moves in this direction. And the compradors who talk about it talk in opposite
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according to the concrete conditions in our country and at international level. But this task can be successfully carried forward only if the question of capturing political power and of socialism are continued to be taken as central issues. Herein lies the importance of remembering Charu Majumdar who fought till his end to focuss them. So observing the day of his martyrdom as All India Martyrs Day for remembering the hundreds of thousands of martyrs who have laid down their lives for the liberation of our country from the shackles of imperialism and feudalism is really significant.

This has a special relevance today. Under the influence of various reformist ideologies quite a good number of organisations, even some of those who call themselves CPI (ML), have ceased to focuss on political power and socialism. They have replaced strategy with tactics, and tactics with certain forms of struggle. When nationality, women, caste, fundamentalism, environment like questions are getting aggravated due to increasing neo-colonial plunder and can be basically resolved only as a part of the class struggle for the victorious completion of NDR, these organisations have delinked these issues from anti-imperialist anti-feudal struggles, from agrarian revolution and the NDR. They project one of these issues as the principal question today, in effect reducing themselves to reformism and economism. They tail behind NGO/VO ideologies. As a result, like the Krushchevite revisionist parties like CPI and CPI(M) earlier, these organisations also in effect abandoning the concepts of capture of political power and socialism as the central questions before the proletarian revolutionary forces.

In this context, when imperialism and its compradors are engaged in ruthless assaults on socialism and in all nefarious means to disarm the revolutionary forces by all means, the uncompromising struggle waged against all reformist concepts and for putting the concepts of political power and socialism in the forefront of all proletarian movements under the leadership of Charu Majumdar is a beacon and of paramount importance today. Let us observe martyrs day this year focussing on these vital questions of revolution. ●

(From P. 1)

At this critical juncture, it is the urgent need of the hour to build up a people's opposition, a people's alternative opposing both the Congress supported UF regime dedicated to follow the IMF-WB-WTO dictated policies, as well as the BJP led Hinduta forces. We hope that the revolutionary and left forces will recognise the seriousness of the situation and do their level best to join their forces based on a minimum democratic programme in order to launch countrywide campaigns and agitations, and to mobilise the working class, all other toiling masses and the democratic forces as a whole against both the Congress supported UF regime and the fascist BJP-led forces. ●

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with leaders of TUs. According to him the recently announced guidelines on expenditure management would not lead to any retrenchment or wage freeze. Then whom he is going to squeeze to reduce public expenditure? Will he squeeze the MNCs, the native monopolies and the neo-rich instead? Will he cut down defence spending or cost of debt servicing? From the June 17 statement it is clear that it is the public sector workers and employees in government connected enterprises alone are going to be squeezed. So Chidambaram is telling blatant lies like his predecessors. Coming budget will prove it more clearly.

In this situation the effort by the left parties and TUs linked to them to white wash CMP and the fiscal measures announced by Chidambaram is a gross betrayal.

The organised working class and all toiling masses should come forward to wage determined struggles against these reactionary policies. ●

"The correctness or otherwise of the ideological and political line decides everything. When the Party's line is correct, then everything will come its way. If it has no followers, then it can have followers; if it has no guns, then it can have guns; if it has no political power, then it can have political power".

— Mao Tsetung —

condemn the brutal massacre of comrades sathyanarayana, bhupal reddy and others

Com. Taduri Satyanarayana alias Panthalu, secretary of the A.P. state committee of CPI (ML) Red Flag, Com. Bhupal Reddy, state committee member, Com. Veera Reddy, squad leader and three more party comrades were killed in fake encounter on 22 June night in Warangal district. This is a naked act of increasing state terror unleashed by the AP state police against the Communist Revolutionaries.

We strongly condemn this brutal murder of the party comrades and warn the state au-

thorities that such heinous acts cannot stop the onward march of democratic revolution.

We call upon all progressive democratic forces to strongly protest against this barbarous act of state repression.

23 June 1996

K.N. Ramachandran,
 All India Secretary,
 C. P. I (M. L) Red Flag

In The Name Of Fiscal Prudence, Further Acceleration Of NEPs

In the name of fiscal prudence the central finance ministry has issued a package of instructions on June 17. Its justification is that "fiscal prudence is the key to low inflation, stable price levels and rapid growth". According to it "fiscal deficit rose from Rs. 36,325 crores in 1991-92 to Rs. 64,010 crores in 1995-96". It means 5.9% of GDP and now through wage freeze of govt-employees and workers in public sector and through retrenchment of employees and workers government wants to bring down central government expenditures by Rs. 3000 crores annually.

Further government has decided to squeeze the public sector undertakings (PSEs) more. "All profit making PSEs which are essentially commercial enterprises must declare a minimum dividend on equity of 20% of a minimum dividend pay out of 20% post-tax profits, whichever is higher. The minimum dividend pay out in respect of oil, petroleum, chemical and other infrastructure sectors should be 30% of post tax profits.....all profit making companies must also issue bonus shares to the government. All profit making joint venture companies must also give a minimum dividend of 20% on govt equity

holding, all other non-tax receipts should be revised so that at least the cost of the services is recovered". All these and other measures are intended not only to reduce fiscal deficit but for denying all possibilities for the survival of the PSEs also.

This is only a beginning. Under the Common Minimum Programme (CMP) which is not only a continuation but also a further extension and development of the NEPs and SAPs implemented by the Rao government, in the coming budgets and through fiscal and economic policy decisions the workers and other toiling masses are going to be squeezed more and more. So the argument put forward by CPI (M), CPI like parties and the left TU centres that these measures are beyond the CMP proposals is nothing but an absurd one. It is a play to support or take part in UF government while reserving rights to make absurd statements to hoodwink the people.

Union finance minister Chidambaram who is hailed as a better and more reliable one by IMF-WB and imperialist capitals has now performed an acrobatics on June 21 in his meeting
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