

RED STAR

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Joint Statement of Five Organisations on Union Budget 1997-98

The Second Union Budget presented by the United Front Government for 1997-98 has provided real and substantive benefits to the foreign companies and big industrial houses while ignoring plight of the poor sections and the overwhelming masses of the country. The United Front Govt is continuing to tread the path of new economic policies of its predecessor Congress Govt. despite is proven disastrous effects on the masses of the people, on increasing poverty, unemployment and rising prices of essential commodities.

Despite heavy burden on the country's financial resources due to interest payments, the Union Budget provides across the board exemptions on custom duties in the interest of giant multinational companies. If custom duty cuts over past two years led to the closure of many indigenous industries or made them sick, this year's cuts will effect them more. While opening the country more and more to MNCs, it further accentuates the process of deindustrialisation of Indian industries. Privatisation of health insurance which is but the beginning of the process of privatisation of insurance sector as per the condition of WTO and raising the limits for the stakes of foreign institutional investors to 30% has gladdened the hearts of foreign imperialist investors

Further it has granted big relief to the industrial houses in the form of abolishing surcharge on corporate tax and dividend tax. In fact the share of indirect taxes in the revenue which means burden on the people and which was already high, has further gone up. Union Budget with its emphasis on indirect taxes is bound to lead to further escalation of the rise of prices of essential commodities hitting

the poor the most

The concern expressed by the United Front Govt. for the common people and rural masses is once again sham as the financial allocation on the programmes targeted to benefit them is either stagnant or has gone down in real terms. The meager budgetary allocation for the welfare schemes has exposed the real character of the policies of the UF Govt.

The Union Budget alongwith the hikes in the fare and freight charges in railways budget and sharp increase in postal rates has placed heavy burden on the people of the country and will be inflationary. This Budget is once again in the service of the foreign companies and their Indian collaborators at the expense of Indian people. It will add to the miseries and deprivation of the common masses.

The Union Budget expresses the concensus among the ruling class parties to further increase the imperialist exploitation and plunder of our country. Even the revisionist parties of 'Left Front', particularly the CPI and CPM have hailed the budget as growth oriented which only shows their adoption of the pro-imperialist economic policies

CPI (ML) - New Democracy, CPI (ML) - Liberation, CPI (ML) - Red Flag, COI (ML) and MCPI strongly oppose this anti-people budget. We call upon all the progressive, patriotic and democratic forces to unitedly fight against the anti-people budget proposals and to build a strong movement against anti-people and anti-national economic policies being implemented by United Front Govt. in the name of its Common Minimum Programme.

CPI(ML)
New Democracy

CPI(ML)
Liberation

CPI(ML)
Red Flag

COI(ML) MCPI

3-3-1997

EDITORIAL

April 22: Party Day

The formation of the CPI (ML) twentyeight years ago by the Communist revolutionaries led by Charu Majumdar was a great step forward in reorganising the Communist movement in our country based on Marxism - Leninism - Mao Tsetung Thought. It could be achieved not only by fighting against the Krushchovian revisionist line pursued by the leaderships of CPI and CPI (M), but also by struggling against the alien trends influencing some sections of the Communist revolutionaries. Even though the sectarian line based on the definition of the present era as that of 'total collapse of imperialism and victory of socialism' contrary to the Leninist evaluation of it as a protracted one of 'imperialism and proletarian revolution,' which gained dominance within the Communist Party of China for a brief period and gave rise to serious deviations within the Marxist - Leninist movement at global level, created severe havoc within our movement also, the formation of the CPI (ML) was a historic step forward.

Today, the imperialist system at global level is facing intensifying crisis. Its monetarist measures and neo-colonial plunder have not helped it to overcome this crisis. On the other hand, it has only further intensified the contradictions between imperialism and socialist forces, between the proletariat and monopoly bourgeoisie in the capitalist-imperialist countries, between the oppressed people in the neocolonies and imperialism, and among the imperialist powers and monopoly groups. Side by side, and as a continuation of this, within our country the contradiction between people and imperialism, between the proletariat and comprador bureaucratic bourgeoisie, between the people and remaining feudal forces, and among the ruling classes also have intensified. The ruling class politics is degenerating fast. These developments have once again created excellent objective situation for the toiling masses everywhere led by the proletarian forces to make new advances. The people's revolts all over the world reflect this. It calls for urgent steps to reorganise CPI (ML), uniting all genuine Marxist-Leninist forces, in to the powerful vanguard of the Indian proletariat.

This reorganisation can be carried forward

successfully only if we dare to evaluate the past efforts in this direction. Why these efforts by some of the then leading organisations fail? Mainly because they failed to correctly evaluate the objective situation in the post - Second World War period, and the reasons for the right and left deviations within the movement. As a result, some of the organisations using the banner of CPI (ML) still uphold Dengist line. Even though China is implementing the structural adjustment policies dictated by IMF-World Bank-WTO and MNCs and has integrated to the world imperialist market system, they call China as a socialist country. Some other organisations, though they have denounced Dengist revisionism after initial hesitance, are still upholding the class-collaborationist 'Three World Theory' put forward by Deng-Hua revisionists in late 1970s. Still there are some other organisations who follow the Lin Piaoist sectarian line in practice even though they have denounced it in words. And, irrespective of these differences, all of them refuse to recognise the transformation undergone by imperialist system from colonial phase to neocolonial phase, that is in to a more heinous and pernicious phase as Mao called it. As a result they fail to analyse the changes taking place both in the imperialist countries and in the neocolonies, stick to dogmatic positions, and degenerate to right opportunist or sectarian positions.

On the other hand, those peripheral groups and individuals, who overshoot their arrow, have embraced the neo-Trotskyist position that the stage of revolution has become socialist in India. All these trends are creating confusion among the Marxist-Leninist forces and among the youth and students who are looking forward towards a proletarian vanguard party. Only by struggling against these trends with the perspective of winning over large sections among them to the ranks of the Marxist-Leninists the party reorganisation can be effectively carried forward.

Indian proletariat is a contingent of the world proletariat. The CPI (ML) can be reorganised only as an integral part of the International Marxist - Leninist Movement So, our reorganisation process should be based on

the teachings of the Third International led by Lenin and Stalin, and the General Line positions put forward by the CPC led by Mao in 1963 as part of the Great Debate, and in continuation to them. It should be based on the concrete analysis of the imperialist system in its present neocolonial phase. It should also be based on an uncompromising struggle against Krushchovian 'Three Peacefuls' (peaceful competition and peaceful co-existence with imperialism and peaceful transition to socialism as the general line of the world proletariat) and its later version, the 'Three World Theory'. Thus CPI (ML) should be reorganised firmly based on proletarian internationalism and the general line of the ICM put forward by Third International and Great Debate. This is all the more important in this period when imperialism under globalisation have launched new counter revolutionary offensives against world people.

In continuation to this proletarian internationalist stand, the New Democratic Revolution in India should be advanced as a part of the world socialist revolution. The evaluation of India as a neocolony, and task of the NDR as the overthrow of the present Indian state led by comprador bureaucratic bourgeoisie and big landlords serving the imperialist system, and building up a New Democratic state led by the proletariat based on worker-peasant alliance should be basic features of our programme. Emphasis should be given for building up the party on Bolshevik lines at all India level including the building up of class/mass organisations with democratic programmes for developing class struggles in all fields utilising all forms of struggle for the revolutionary seizure of political power.

The Marxist teachers have always pointed out that "the correctness of the ideological political line determines everything" and that "without a revolutionary party no revolution is possible". These teachings have cardinal importance today when we are in the process of reorganising CPI (ML) utilising the excellent objective conditions for the successful completion of the NDR. It is proved time and again that opportunist attempts or liberalism towards ideological struggle or pragmatist shows cannot lead towards building up a Marxist - Leninist party. These attempts are bound to fail.

On the 28th anniversary of the formation of the CPI (ML) let us resolve to carry forward the task of reorganisation of the party with full vigour uncompromisingly struggling against all

alien trends and firmly upholding proletarian class line

(From P. 6)

campaigns against the imperialist powers, in the neocolonies vigorous campaigns are organised by the proletariat and the oppressed masses as a whole with the slogans: Kick out IMF-World Bank-MNCs, Quit WTO, Write off Imperialist debt, and Scrap the imperialist dictated policies of privatisation-liberalisation globalisation. They are militantly upholding the spirit of proletarian internationalism.

We support and salute all these class-conscious campaigns, and hope that together we shall make the May Day this year a day to remember, a day of militant expression of the great unity of the proletarian forces at international level. Let the red banner of May Day, the revolutionary banner of the international proletariat be raised higher and higher with firm resolve to intensify the revolutionary struggles in all countries, to mobilise solidarity action in support of struggling peoples, and to build up international unity of the proletarian forces.

Let the revolutionary struggles and militant May Day actions of the world proletariat and the oppressed masses of everywhere shake the very foundation of the imperialist system, and let their May Day call reverberate over all continents heralding a new upsurge of the world proletarian revolution.

Long Live Revolutionary May Day

Long Live International Solidarity of World Proletariat.

March 1, 1997

Central Reorganisation
Committee,
C.P.I. (M.L.) Red Flag.

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C. P. I (M. L) RED FLAG

Raise Revolutionary Banner Of May Day Higher

May Day is observed in this year by the revolutionary forces all over the world at a significant time when the proletariat and the toiling and oppressed masses everywhere are waging numerous struggles against the imperialists and the native comprador ruling classes; when the forces struggling for democracy and socialism at international level are once again regrouping and strengthening their ranks against the capitalist-imperialist system marking a new beginning for great changes that are going to sweep the world in coming years.

Day by day it is getting increasingly exposed that in spite of the serious setbacks suffered by the international working class movement, it is not socialism but the imperialist system which is caught in severe crises. Stagnation in the fields of production, mounting unemployment, fall in living indices of the masses, and curtailment or abolition of the democratic rights hitherto enjoyed by the people are becoming the universal characteristics in the imperialist countries. Imperialist system is becoming an obstacle to the growth of the productive forces and even to the further development of science and technology contrary to the claims of its ideologues. As its moribund character is increasingly coming to the fore, it is surviving depending on speculative capital, intensifying the plunder of the masses of the neocolonies and proletariat at home, through increasing competition for world market, and war mongering to prop up lucrative arms trade. Simultaneously it has let loose an allround cultural offensive to spread its degenerated, reactionary value system. These developments have sharpened all the contradictions at international level, that is, the contradiction between socialism and imperialism, between proletariat and bourgeoisie in the imperialist countries, between the oppressed masses in the neocolonies and imperialism, and among the imperialist powers and the global monopoly groups.

This is reflected in the mighty revolts of the proletariat and other oppressed masses in the imperialist countries that shook them during the last few years. The imperialist bourgeoisie, the monopoly groups, the various revisionist forces, and the labour aristocracy they have developed have not succeeded in curbing the repeated outbreak of these stru-

ggles. The vigorous campaigns unleashed by these forces of reaction against socialism pointing out the disintegration of Soviet Union and developments in other former socialist countries, their celebration of the 'demise' of socialism and final victory for market system heralding the dawn of a 'new world order', and their declarations about the 'end of history' have not helped to disarm the working class who are coming up once again to challenge the imperialist system.

In the former socialist countries including Russia, in spite of all smokescreens created by imperialist propagandists and their local accomplices, the proletariat and all other toiling masses have once again started showing their aspiration for the socialist system, and are again on the move against those in power like the Yeltsins.

In the vast areas of the Afro-Asian-Latin American countries under the vicious grip of neocolonialism unleashed by the US led imperialist camp, the proletariat and oppressed masses are launching powerful struggles in various forms to resist the anti-people policies and to overthrow the comprador regimes. In these neocolonies the imperialist system has only reproduced allround stagnation and degeneration, and a regime of speculative capital plunging them to extreme crises and devastation. Under dictates of the instruments of imperialist capital like IMF, World Bank, WTO numerous international financial institutions etc and the MNC's the policies of privatisation-liberalisation-globalisation and the mounting debt repayments are pauperising the vast masses there. As a result, the contradiction between the imperialist system and the ruling state system in these countries on the one hand and the oppressed masses on the other is intensifying day by day.

At this critical juncture the imperialist camp and its compradors are utilising all possible arsenals under their command including allround imperialist cultural aggression utilising all modern technological knowhow to beat back these challenges from the proletariat and the oppressed masses. Knowing fully well that the best way to blunt the surging people's movements and to lead them astray

Globalisation Opposed In The Imperialist Countries

The IMF-World Bank dictated policies of structural adjustment enforcing a privatisation-liberalisation - globalisation regime have already devastated the neocolonies and pauperised the masses there increasingly. As a result the proletariat and all oppressed masses in these Afro-Asian - Latin American countries have already started revolting against this globalisation for the interest of MNCs and the imperialist vultures controlling them

If this opposition gained strength in 1980s in the neocolonies, in the 1990s the proletariat and other toiling masses in the imperialist countries have also started opposing globalisation. As MNCs in the search of more and more profit have started shifting their ventures to the neocolonies where much cheaper labour is available, or are compelling the workers in the imperialist countries to give more productivity at lesser wages, globalisation has led to wage rates falling and trade

union rights being taken away one after another. MNCs and following them individual firms have started cutting cost and shedding labour strength. The real wages have started falling everywhere especially in the US, and unemployment is increasing especially in Europe.

When a third of the international trade is already taking place within the transnational or multinational corporations, and this percentage is continuously increasing, no feasible measures to check these developments are possible. These anti-labour policies are implemented in the imperialist countries when as a result of globalisation, as UN secretary general is forced to say, "Over 60% of the world's population must sustain on \$ 2 or less per day. A 100 of the world's countries are worse off today than they were 15 years ago".

Ofcourse, the imperialist ideologues are trying to confuse the issue by pointing out dem-

ography or migration of the labour of neocolonies to imperialist countries, or the human rights violations and child labour in the neocolonies as the reasons for present plight of the workers in the imperialist countries. They never accept the fact that it is the plunder of the MNCs utilising latest technological knowhow and their control of the resources, labour and markets at global level without least bothering even to share a part of their loot with the toilers, without allowing any democratic rights to them, that is causing pauperisation and unemployment everywhere. In this way they are trying to divide the proletariat in the imperialist countries and toilers in the neocolonies.

What the proletariat all over the world and the oppressed masses as a whole everywhere have to realise is that globalisation and the imperialist system which is imposing it is their common enemy

is to disarm the proletarian class forces ideologically and politically they are utilising all time-tested means and instruments for this purpose. They are promoting various alien trends which are negating proletarian class positions, and the very concept of the dictatorship of the proletariat. Reformist ideologies including the so-called 'grass-root' concepts propagated by voluntary/non-governmental organisations are promoted. Religio-fundamentalist, racist, national chauvinist like forces are encouraged and utilised to divide, divert and maim the proletarian forces. At the same time, to suppress any forms of people's struggles, the state is made increasingly fascist and state terror is unleashed. Even hitherto existing democratic rights are abolished.

The proletarian socialist forces can utilise the present excellent objective situation

developing at global level for a new revolutionary offensive only by combating this all-round counter-revolutionary attacks by the imperialists and their lackeys through strengthening their ideological-political-organisational preparedness internationally by and in each country based on Marxist-Leninist positions and proletarian internationalism. Let the taking up of this historic task and building up of steel like unity of the proletarian forces at international level be our clarion call on this May Day.

It is inspiring that once again the proletarian forces have started regrouping at international level organising conferences, seminars and solidarity campaigns etc. This positive trend has gained momentum during the last few years. While the proletariat in the imperialist countries organise May Day (Contd P. 4)

P. J. JAMES

The Bubble Budget

Unprecedented Gains to Speculators, False Promises for the Poor.

Even after two days of Chidambaram's budget presentation, while these lines are being written, crackers are still bursting in India's stock exchanges and consumer markets. As noted by several observers, the second budget of Chidambaram was clearly oriented to the 20 million players in the country's stock markets and 200 million upper-middle class people (as defined by the yankees) comprising the most thriving and flourishing consumer market in the world. As the concessions offered by Chidambaram to the financial speculators far exceeded the demands raised by stock-market participants on the eve of the budget, the market euphoria seen is quite unprecedented. R. H. Patil, Managing Director of National Stock Exchange (NSE) has aptly said: "This budget has given a good impetus to the capital markets. In fact, whatever was asked for, everything has been given to it". Notorious NRIs, both S. P. Hinduja and G. P. Hinduja have characterised the budget as "courageous and excellent". In particular, G. P. Hinduja said: "Despite the limitations of the coalition government, the Prime Minister had kept his promises made to captains of Indian industry during the 'December 31 meet'. He added: "The Finance Minister has shown dynamism, courage and boldness by taking forward the liberalisation agenda where Dr. Manmohan Singh had left it". Interestingly, on February 28 itself Manmohan Singh commented on the budget: "This is the endorsement of the policies followed by the Congress government". To cap it all, on March 2, 1997, just a day after the budget, Michel Camdessus, the Managing Director of IMF, who had come over to India to praise "the vision and courage of people who were in charge of affairs in India in 1991 and of those who were now taking the liberalisation process further" has wholeheartedly praised Gowda-Chidambaram Co. for "keeping up continuity and development in the structural adjustment process by keeping the poor in a state of illusion. In particular, he congratulated the "architects of the new steps which are being taken today towards liberalisation of the economy, towards convertibility towards greater independence of the Central Bank and stopping automatic financing of budget deficits". His enthusiasm was mainly

due to Chidambaram's "bold" application of the last nail in the coffin of Keynesianism and uncontrolled launching of monetarism in India. In an interview in Chennai, Mr Camdessus succinctly said: "I am very proud to have been associated with it (the reform process)"

No doubt, as a manifestation of the upbeat mood in the speculative sector of the economy, the stock exchange indices in various parts of the country zoomed sharply to their dizzy heights. For instance, in the post-budget sessions, the Bombay Sensex rose by 177 points on Friday evening and by 205 points on Saturday to reach 3850. Leading market players have predicted a breach of the 4000 level very soon. At a mere stroke of pen, the gains made available to stock exchange players alone by Chidambaram amount to a minimum of Rs. 25000 crores. The handsome package of sops which included the enormous direct tax concessions to the rich composed of a 30 percent reduction in income tax payment by higher income brackets, abolition of surcharge on corporate tax, abolition of tax on dividends, dilution of Minimum Alternative Tax (MAT) with full exemption from its purview for so-called exporters and so on are the scale and sweep of incentives and concessions extended by Chidambaram to the anti-national and traitorous class in India. No doubt, these measures have stunned even the most diehard exponents of globalisation into silence as shall be seen by us. Coupled with these, Chidambaram's masterly moves such as increasing the ceiling limit for FII investment (Foreign speculative capital) in Indian stock exchanges from the existing 24% to 30%, the hike in the stake of FIIs in the equity of individual companies, meshing the process of capital account convertibility so as to achieve full convertibility of the rupee thereby plunging the country into the deprivations of international speculation, efforts to privatise insurance in accordance with the commitment made to WTO that Indian Insurance sector would be privatised before December 31, 1997 and de-reservation of some significant items from SSI list have immensely enthused global and comprador capitalists. Of these, the last one, ie,

the dereservation of items in the SSI list and the enhancement of the limit from the existing Rs. 60 lakhs to Rs 3 crores is clearly intended to eliminate the small scale industries even in name. All the existing benefits of SSIs will be cornered by global and comprador interests, they will be swallowed up by the latter one by one or will end up as sub-contractors to big capital. In brief, destruction of the employment-generating small scale sector is part of the strategy of integration of the economy with global finance capital.

Reduction in Fiscal Decficit and the Trend towards Full Monetarism

A casual look at the budget documents reveals the basic orientation of it as the speedy movement towards full-fledged monetarism and the dismantling of the last vestiges of Keynesianism. In fact, as noted by us earlier, the most striking feature of the budget recognised by none other than the IMF chief himself has been the decline in the capacity of the state to intervene in the economy as manifested through the 'greater independence of the central bank and stopping automatic financing of budget deficits'. This is going to be achieved through the replacements of adhoc treasury bill arrangement by 'ways and means advance' by the RBI. As part of this, despite the huge tax cuts and concessions to the corporate and high income classes, in accordance with the "commitment of good fiscal management" made at the behest of Fund-Bank combine, Chidambaram has pegged the 1997-98 fiscal deficit at a lower target of 4.5 percent of the GDP. While this results in what is called more 'fiscal discipline' on the one hand will provide greater 'autonomy' to the Reserve Bank in conducting the monetary policy of the country at the instance of IMF.

BIGGEST-EVER SQUEEZE OF THE MASSES

A corollary of this emphasis on monetarism or 'fiscal discipline' as it is called is a conspiratorial reduction in expenditures on social services even in absolute terms in the midst of the rhetoric of 'growth with social justice'. In fact the reduction in the fiscal deficit (total expenditure minus total revenue), in the context of heavy revenue losses through cuts in import tariffs and corporate and income taxes together with ever-increasing non-plan expenditures in the form of interest payments and defence spending (the budget envisages a rise of Rs. 10000 crores in interest payments and Rs. 6000

crores in defence expenditures) is achieved through a drastic reduction in spending on social services and subsidies, especially food subsidies intended for the poor. It is an irony that among the ruling circles, it was Manmohan Singh himself who first expressed his worries about the huge reduction in food subsidy as seen in Chidambaram's second budget that is acclaimed as the "best budget in the past several years". The so called "innovative" budget that subsidises the elite, the comprador capitalists and MNCs to the tune of thousands of crores worth of resources and which envisages the growth of total government expenditure from Rs. 202298 crores in 1996-97 to Rs. 232176 crores in 1997-98 and the growth in nominal GDP from 14.9% in 1996-97 to 15.2% in 1997-98, has reduced the food subsidy (subsidy for foodgrains and sugar) from Rs. 8066 crores in 1996-97 to 7500 crores in 1997-98. This is in spite of Gowda's own statement a few days ago that this subsidy was budgeted at Rs. 8300 crores during the financial year 1997-98. In a recent revelation the Planning Commission has pointed out that the percentage of people below povertyline is almost 41 percent. And some members of the Planning Commission put the figure at 44%. It is in this context and in the background of the much trumpeted dual card system under the Targetted PDS that this absolute reduction in food subsidy has been made. It is an objective fact that lion's share of this so called food subsidy is not at all available for the poor in the form of reduced food grain or sugar prices, but spent as administrative and establishment charges, interest payments, storage costs and so on. In a situation where food production is reported to be stagnating and purchasing power of the broad masses of people is declining and in the background of the budget proposals for decontrolling trade in food grains (Rice Milling Industries Act 1958, Ginning and Processing Factories Act 1925, Edible Oils and Edible Oil Seeds Storage Control Order 1968. etc. are all going to be repealed), one can at least guess the true effect of this paltry sum on food subsidy. Given the officially estimated inflation being at 8% (this is an underestimate, since the prices of foodgrains and essential articles, as experienced by common people contrary to what official statistics say, are now increasing at the double digit level), the real value of this year's food subsidy proposed would be worth about 75% of that in 1996-97. Thus, it is through considerable under-provisioning of expenditures to the poorer sections that Chidambaram is able to maintain the fiscal deficit at 4.5% of GDP as desired by

the Fund-Bank Combine. Of course, he cannot do this by reducing the enormous concessions and special privileges granted to affluent sections for obvious reasons. That is why squeeze of the masses is all the more significant in Chidambaram's 'landmark' budget. Even in the past too, spending for the poor has remained only on paper. For instance, take the case of Chidambaram's first budget. In 1996-97, a total of Rs. 20,324 crores was budgeted on social sectors and rural development. But the actual spending as per the Revised Estimate of 1996-97 has been only Rs. 18805 crores, a short-fall of 8% even in nominal terms. This time also, the story will be the same. Take, for example, the outlay on social services sector alone which is being enhanced from Rs. 11785 crores in 1996-97 to Rs. 15707 crores in 1997-98. Since nothing has been set apart for this in the budget, resources for meeting social expenditures are to be met from the proposed Voluntary Disclosure Scheme for mobilising black money. No doubt, as a proportion of GDP, the total social sector and rural development outlay has declined from 1.7% in 1995-96 to 1.5% in 1996-97. The trend will be the same in this year too. Even governments of Sub-Saharan Africa are spending much more on poor than the Indian State. As a proportion of GDP, while some of these states spend almost 10% on education, for example, the Indian state spends a meagre sum of 2%.

FURTHER INTEGRATION OF AGRICULTURE WITH AGRI - BUSINESS

In consonance with the CMP that called for doubling of the flow of credit to agriculture within five years, last year's budget had devised a number of programmes and policies in the agricultural sector. As a result, during 1996-97, the first year of the UF government, the credit flow to agriculture increased from Rs. 22000 crores to Rs. 28600 crores. It was in accordance with the global machinations of imperialism in fully integrating India's vast agricultural sector with agribusiness interests based on WTO regulations. Its aim has been to transform the land lord-kulak sections as junior partners of agribusiness MNCs like Cargill, Pepsi etc. Initiatives were also taken to extend the 'Karnataka model' land legislations to other parts of India. In the last budget a series of steps like the creation of Rural Infrastructure Development Fund (RIDF) with a capital base of Rs. 2500 crores, the raising of the share capital of NABARD to Rs 2000 crores and the creation of

new private sector banks in rural areas were taken. The 1997-98 budget, though having no new policy declarations, is going to develop further the steps already taken to encourage agribusiness activities. For instance under RIDF-I and RIDF-II, a sum of Rs. 3400 crores has already been disbursed by March 1997. Another sum of Rs. 2500 crores under RIDF-III is earmarked for the financial year 1997-98. Another additional allocation of Rs. 500 crores will be made to NABARD to augment its share capital. With the aim of enriching kulak farmers, Accelerated Irrigation Benefit Programme is being enhanced from Rs. 900 crores in the last years budget to Rs. 1300 crores in 1997-98. All these steps that continue with intensified vigour together with the total decontrolling of trade in almost all important agricultural items are clearly oriented to strengthen global agribusiness in India.

DISMANTLING OF IMPORT TARIFF AND DEINDUSTRIALISATION

In tune with the CMP and WTO regulations, and in continuation of last year's budget, in his full year budget for 1997-98, Chidambaram has accomplished a further reduction in import duties with a view to progressively integrate Indian economy with international market. Thus customs duty has been further reduced from the existing peak rate of 50% to 40 and duty on capital goods has been reduced from 25% to 20%. Thus the vast Indian consumer market for all items ranging from luxurious items and consumer durables to essential items is further thrown open to MNCs. No doubt, this will eliminate whatever left of the already weakened industrial and manufacturing activity in India. Customs duty reduction on imported cold rolled steel, chemicals and other capital goods will definitely destroy the existing domestic industrial base. That is, Chidambaram is bringing the deindustrialisation process unleashed in 1991 to its logical culmination. Hundreds of thousands of industrial units will be closed down and millions of workers will be thrown to streets. Associated with this deindustrialisation trend is the new thrust given to "information technology" in the budget. Duty reductions on the import of computer and electronic items will help MNCs to transplant the labour-intensive component of their 'culture industries' to India to take advantage of the cheap but skilled labour abundantly available in India. This is fully in accordance with global capital's new international division of labour

based on the latest advances in information, communication and transportation technologies. It is quite revealing that the arrival of Bill Gates, world's biggest 'microsoft' and computer businessman, in India is coincided with Chidambaram's budget presentation in the Parliament.

ALL ROUND PRIVATISATION, LIBERALISATION AND CULTURAL DEGENERATION

A look at the budget will reveal that every item elucidated in it is aimed at subserving the narrow class interests of comprador and imperialist capital. This is true in the proposals for further disinvestment of public enterprises with a view to mobilise another Rs. 5000 crores, privatisation of health insurance as a step towards full privatisation of insurance sector in accordance with the commitment to WTO, provision of 7 years tax holiday for companies (meaning MNCs) in the petroleum and tele-communications sector, dismantling FERA and so on. All these will lead to the intensified plunder of the country's people and its resources by global finance capital in alliance with comprador Indian capital.

In the overall context in which all round speculative activities led by imperialist finance capital are flourishing and really productive activities are stagnating, the degeneration of Indian ruling classes also knows no bounds. The best illustration of this is related to the proposal for whitewashing black money. It is interesting to note that the proposal for an amnesty scheme for black money holders first came from Jyoti Basu in the National Development Council meeting in January 1997, even while the other ruling class members were reluctant to openly uphold such a method of fund-raising by the government. Even the diehard exponents of privatisation are of the firm view that the Voluntary Disclosure Scheme announced by Chidambaram following the footsteps of Basu is nothing except a "premium on dishonesty". For instance, Swaran Patel, the London-based NRI made the following observation: "Voluntary disclosure system only sent wrong signals to overseas investors that India every now and then would condone wrongdoing." Past experiences show that Chidambaram's effort to mobilise resources through providing amnesty to black money holders is going to be another illusion.

In fact, Chidambaram's budget is only a prelude to the new wave of unprecedented anti-people policies that are in store for us. By March-end 1997, the oil pool deficit will reach

the staggering figure of Rs. 20000 crores. The interest payment on public debt will be higher by at least Rs. 25000 crores in the coming fiscal year. There are enough hints to presume that in the immediate future the Gowda government will try to resolve these issues through extra-budgetary executive measures such rise in petroleum prices, other non-tax levies, etc. In a post-budget speech Chidambaram remarked, "Budget is not the instrument to address the petroleum price or any administered prices". It is reported that the government is contemplating the total dismantling of the administered price regime in petroleum and other essential items. In its own terms, the next stage of 'reforms' requires the dismantling of all state-sponsored welfare schemes and further relaxation of all labour regulations.

All the ruling class parties and the entire media have come forward praising Chidambaram's second budget which they call as the "best in decades". Initially, the CPI (M) also had more or less the same opinion. That was why, in an interview to press persons its leader in the parliament, Somnath Chatterjee characterised this budget as "pro-poor and growth oriented". However, a bit later, as part of a well-considered strategy, its leadership found "the substance of the budget disappointing despite the concern expressed for the economically disadvantaged". But today the CPI (M) leadership can be seen vehemently attacking the budget after taking pains to pinpoint the budget's basic departures from the CMP (Common Minimum Programme). But on a closer examination, one can see that there is no basic divergence between the CMP and the second budget of UF government, the latter being a continuation of the first budget as pointed out by Chidambaram himself. Not only that, even the Fund-Bank combine and all other imperialist agencies have fully conceded that CMP shall form the basic guideline for the globalisation process under the UF government. This aspect has been beautifully explained by one leading imperialist businessman (S.M. Datta, Chairman, Castrol India) in India thus: "Mr. Chidambaram has used limited amount of leeway for maximum impact with a commitment to the CMP and WTO. The fact what occurred was a basic convergence between CMP and the budget and not vice versa" as argued by CPI (M). Quite naturally one can understand the predicament in which the CPI (M) is placed and some kind of an eyewash is essential for them to hoodwink the people at this juncture too.

March 3, 1997

NEW CHALLENGES IN THE WORKING CLASS FIELD

The NEP is rather new, it is only five years old in India. It has not started to have its real impact in all fields. Large scale retrenchment, and an explosion in unemployment rate along with employing contract labour system in all fields are yet to come. While the job cuts so far effected have been with adequate compensation in many cases from internal resources or from National Renewal fund (NRF) mainly in public sector enterprises (PSUs), the worst is yet to come. The imperialist agencies dictating NEP, the government and the management all are aware of it. So they have initiated long term planning for 'labour management,' that is developing methods to keep the working class under their tight control by eliminating their fighting capacity, and organised strength. Simultaneously methods to enhance productivity continuously are also evolved.

As in all other aspects of NEP under its structural adjustment policies (SAP), the World Bank is the trend setter in this field also. Its 1995 World Development Report warns under the pretext of arguing for the unorganised sections that: "they (the organised unions) behave as monopolists, protecting a minority group of relatively well-off unionised workers at the expense of the unemployed and those in rural and informal markets." Again: "coal miners in India have been shielded from competition ever since the government take over of the industry in 1973. The highly

unionised coal workers exert political pressure to obtain wage increases that are unrelated to market realities." The WB report do not bother to even mention the condition of the workers in coal fields or elsewhere before unionisation, or of those who seek solutions to problems without joining unions. The bureaucratic character of the leaderships of the trade unions belonging to ruling class or reformist parties are utilised as a cover to attack trade union movement as a whole. The WB is only repeating its many decades long slandering of organised working class movement.

In tune with this WB attack Rao government had initiated moves to tame the trade unions through new legislation. Through numerous struggles the organised working class movement in India had succeeded in compelling earlier government to enact many progressive labour laws. Now the proposed Industrial Relations Bill have clauses allowing the controversial exit policy along with closing down of labour courts. It introduces a system of compulsory arbitration. It also seeks to abolish the use of secret ballot by unions during elections. Through this measure government is trying to cut down even the rights enjoyed by the organised workers who constitute less than 10 percent of the total working class. Even before the bill is passed government has started openly siding with the management including using force to brake workers' strikes. The way the New Pension Bill was passed

by the government rejecting the opposition from vast majority of the workers indicate the growing anti-working class approach.

The state governments are following the same policy. In an article "Trade Unions: Losing Clout?" Business India (November 4-17) has quoted Deepak Khaitan, managing director of Calcutta based Williamson Magor Group: "State governments today are not encouraging and breeding labour militancy." Maharashtra's Commerce and Trade secretary is quoted as follows: "With the change of mindset, governments will have to fight it out for investments. And investors-both foreign and local-will come only when the risk factors are less. Trade union militancy can lead to the state being deprived of investment." The state governments are competing with each other to boring down trade union movement, especially the politicalisation of the working class.

Even before the introduction of the NEP, during the last two decades, especially following Naxalbari struggle when the peasantry and working class started challenging the state once again and resorted to gherao and other forms of struggle to compel the reactionary managements to accept their legitimate demands, the government as well as managements had started promoting various anti-worker moves including encouraging independent or management unions. They are against left oriented trade unions who politicalise the

workers and mobilise them for countrywide struggles against government's anti-worker policies. During the last five years when the ruling class parties constituting all trends—rightist, centrist and leftist—reached a broad consensus on the NEP, the attack on the organised and politicalised working class movement further intensified.

From 1950s itself government, the PSU and private/corporate managements had utilised INTUC like unions to serve the bourgeois interests promoting labour aristocracy and bureaucratic TU leaders. Under the label of 'recognised unions', these trade unions were made to work as management unions in major enterprises. Alongwith them independent unions were encouraged who excelled in militant economism, but consciously kept the workers away from politicalisation. The rise of Dutta Samant in Mumbai, Kuchelar in Chennai and many others should be seen in this context. According to Kuchelar "party-affiliated unions are irrelevant.

In 1970s and 1980s these 'militant economists' could sign many agreements hiking workers' wages and other economic benefits. But simultaneously the managements started extracting their pound of flesh also. Wage increases were linked with productivity. As industrialist Bajaj said "they want more money and we want higher productivity." But this phase did not last long in this form. Even Samant's like independent unions became inconvenient with the NEP. In the atmosphere of a long period of depoliticalisation, when voluntary retirement schemes (VRS) and similar sops are offered, atleast a section among the well

paid workers and employees prefer to opt for money rather than working class rights. Lockouts and employment of contract labour are also effective threats utilised to maim the workers.

Alongwith this, as the degeneration of the 'left' parties to ruling class positions are taking place fast, their TU leaders have also become advocates of surrender. For example general secretary of AIBEA and a CPI man, Tarakeshwar Chakravarthy see "irritation among this population (middle class) about TU activity." He adds "there has been a decline in enthusiasm for trade unions among the organised sector workmen." Agreeing with the views of managements, a CITU leader Ravindranath says "the unions have exhorted their workers to raise productivity and push capacity utilisation in these factories beyond 100 percent." But even this total readiness to compromise on the part of these left unions has not satisfied the managements. They are apprehending the possibilities of these unions giving calls for countrywide movements under pressure from ranks as in the case of the central government employees and Telecom - P&T employees struggles recently. Even that much politicalisation is anathema to managements.

So they are going for Blue Star like settlements. Faced with the challenge of an independent left-oriented internal union over a wage and productivity agreement, the management manipulated the entry of Shiv Sena led BKS union and signed an agreement with it. These union of SS—the Bharatiya Kamgar Sena (BKS), Shramik Sena and Maharashtra Shramik Sena (MSS) are run like business based on pure

economism. Thackray launched his unions in 1960s "to prevent Bombay becoming Calcutta." He call for "production, productivity, and discipline" and advises "no strike, go-slow or work-to-rule." Same is the case with RSS led Bharathiya Mazdoor Sangh (BMS). It claims to have biggest TU membership in India by excelling even INTUC in becoming 'managements' union.'

The corporate managements' latest move is to welcome underworld mafia gangs in to labour field. It is reported that the elevation of Sachin Aher, a nephew of the underworld don, Arun Gawli, to the general secretary ship of INTUC affiliated RMMS in Mumbai is an indicator of this heinous move.

As for as imperialist agencies, government and corporate managements are concerned they have their programme well charted out. They are ready to go to any extent to prevent the coming up of a revolutionary trade union movement.

The latest developments show that they have succeeded to a large extent in these manoeuvres. With the formation of UF government the left trade unions have put a brake to even the struggles they were waging during last five years against NEP. Many independent 'left' union leaders are purchased like Trotskyists and Kanoria Jute Mill struggle leaders, and through them ideas like "worker's self-management" are spread to blind workers struggle. Communal, casteist, chauvinist forces are promoted to divide the working class. Continuous efforts are made to create a broad consensus on the necessity of liberalising the economy, and to

divert the working class movement from socialist orientation.

The consequences of these ruling class assaults on the working class movement and degeneration of the left trade unions to unprincipled compromises and surrender are clearly visible today. According to the provisional memberships of five all India trade union centres issued by Labour Bureau (Shimla) in 1989, BMS is leading with 30 lakhs, while INTUC is pushed behind to 27 lakhs. Meanwhile memberships of CITU, HMS and AITUC are 18, 14 and 9 lakhs. These and other trade unions taken together have only less than 10 percent of the total working class as members. While most of the organised sections are consciously converted in to apologists of ruling class policies by these leaderships, vast majority of the workers are unorganised and kept away from the path of struggles.

This is well reflected in the workers' struggles during this period. Even when working class was subjected to growing exploitation and oppression the strikes and lockouts between 1991 and 1996 (January to April) came down from 1810 to 252, out of which lockouts were more. If the mandays lost in 1991 due to lockouts were 14 lakhs, it was only 12.42 lakhs due to strikes; and came down to 1.90 and 1.51 lakhs in 1996. The managements have started declaring that the trade union movement has started losing its relevance. Even CPI (M) and CITU leaders have started advising the workers to become more 'responsible', that is to cut down their struggles further and participate in increasing production surrendering to privatisation, liberalisation, globalisation.

These developments have

posed the gravest challenge before the working class in India. The consequences of NEP have only started surfacing. The inevitable 'deindustrialisation' in a new form and automation are going to render many more millions jobless. The contract labour system is intensifying wage-slavery, cutting down the wages, while the prices of essential commodities are soaring up. Simultaneously other toiling sections are also getting pauperised more and more. Any protests are put down by the state which is becoming increasingly fascist. These are natural results of neocolonial slavery to which our country is pushed down during these decades after 1947. And it calls for organised resistance.

The history of all revolutionary movements at international level and in India has time and again proved that only the working class is capable of leading this resistance forward. But all the leading trade union centres have proved that they have surrendered to the ruling class policies. It is in this context, the relevance of mobilising the working class with a clear cut political orientation by the revolutionary forces arises.

Whatever may be the propaganda of the ruling classes, the working class has waged many significant struggles during the last decade. More and more workers are becoming conscious

of the necessity for a revolutionary movement. They are becoming capable of seeing through the reformist and defeatist positions of many of their leaders also.

Internationally also the situation is becoming favourable to the working class movement. In more and more imperialist countries many working class struggles are coming up. In the neocolonies, together with other toiling masses workers, struggles have started surfacing. This objective situation of imperialist crisis and mounting repression and plunder of the working class and other toiling masses in the neocolonies is going to compel these struggles to intensify in the coming days irrespective of the temporary gains by the ruling classes. In spite of the surrender by the leaderships, more and more section of workers and employees are going to come forward to participate in struggles. The imperialists and their compradors of all sorts, including their media cannot reverse this trend however hard they try.

It is the responsibility of the revolutionary forces to study the present concrete situation, intensify their efforts to give leadership to the working class movement organisationally and politically, and to launch countrywide united movements against the Indian state policies serving imperialism.

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PIPPALPANKA WATER RESERVOIR PROJECT

The TATAs have extended their octopus-like exploitative tentacles to grip another patch in Ganjam district by displacing people from their habitation and livelihood. In collusion with the ruling elites in Orissa they have already hatched the plan to acquire around 6000 acres of land at Chamakhandi nearer to Gopalpur Port by displacing around 25,000 people from their very fertile land and livelihood for establishing a 10 m tonne steel plant. Against this colluding conspiracy the people have already declared battle never to give up their land for the profiteering of a private company. The Govt. has unleashed reign of terror, even has gone to the extent of killing people to force them to submission to the hoax of so-called development. In spite of this resistance of the deprived people at Gopalpur the Govt. of Orissa and the Tatas have the audacity to embark upon another phase of deprivation and displacement by proposing to construct a dam at Pippalpanka on the Rushikulya river for supplying water to the proposed plant at Gopalpur.

Pippalpanka Location

Pippalpanka is situated around 110 kms away from Gopalpur in Sorada block of Ganjam dist. 40% of this district is covered by forest, the better part of which is nearer to Pippalpanka. This forest is full of medicinal and valuable tree species. The forest is also inhabited by wild animals, mostly elephants. The people of this area are dependant on this forest for their livelihood by collecting leaves for making leaf plates, broomsticks, sal seeds etc. Around 1000 bamboo cutters fully earn their livelihood from this forest.

Proposed project

The Tatas have entered into an understanding with the Govt. of Orissa to construct a dam at Pippalpanka by spending around 138 crores to supply 60 million gallons of water per day to their proposed 10 million tonne capacity steel plant at Gopalpur. The water would be carried by laying around 110 kms of pipe at the cost of around another Rs 200 crores. The height and length of the dam would be 45.56 mts (136 ft) and 1456 mts respectively.

It may be recalled here that for last 45 years the people of Sorada block have been demanding for a medium irrigation project by constructing a medium height dam at Pippalpanka for irrigating the agricultural lands there. Eventhough survey was conducted twice, the dam was not constructed on the plea that the soil was not suitable for constructing a dam there. But very strangely, according to the Govt. the soil suddenly turned out to be suitable enough to construct a dam at the same place for the benefit of a private company where it was unsuitable for the benefit of hundreds of farmers. It is also learnt that eventhough ten years back foundation stones were laid for constructing irrigation projects at Sanganda, Sandabeli, and Sanapanka in Sorada block, even a brick has not been put in these projects since then. But the Govt. has become suddenly committed to the cause of the development by proposing to construct the dam to provide water to the Tatas.

Adverse impact of the project

By the creation of a reservoir

at the Pippalpanka due to the construction of the dam, around 1500 families of 8 villages will be affected 300 families who cultivate around 500 ha. of common land and subsist on it would lose their land and livelihood without even any compensation since they have not been given any record of rights over their land. Around 1000 bamboo cutters who subsist on Pippalpanka, forest and others who subsist on preparing leaf plates and collecting broomsticks from the jungle would also lose their livelihood. Around 100 tonnes of sal seeds would also be lost, besides other minor forest produces.

The proposed Pippalpanka dam would be an environmental disaster also. This would deforest around 1254 ha. of reserve forest having around 8 lakhs of very old and valuable trees. Besides, it would also destroy around 20 lakhs of trees from the reserve forests in its catchment area of around 51200 ha. The wildlife mainly consisting of elephants would naturally be destroyed.

It also suffers from all other environmental hazards of the big dams like spread of malaria due to water logging, threat of earthquake, degradation in the nutritional and nourishing content of the water etc. The total environment cost is estimated to be around Rs. 1000 crores.

All these devastations and degradations are in the frenzy of the so called development, all these sacrifices of the livelihood of hundreds of people of this State is just for the earning of super profit by some private industrial houses- the agents of world capitalism.

People's resistance

As expected and as has already been experienced at Chhambhandi in Gopalpur area, people's resistance is gaining ground in the Pippalpanka area against this destructive project designed to displace the people from their land.

Pippalpanka Project Putting in perspective

The analysis of the entire Pippalpanka issue reflects the pattern of operation of the present phase of capitalist imperialist system that is spreading its hooks and hoax all over the world in the name of liberalisation, privatisation and globalisation. It rips open the devilish design of the accomplices of the world capitalism. Therefore, the Pippalpanka issue can neither be seen in isolation from the proposed Steel Plant at Gopalpur nor it can be seen in isolation without putting it in the perspective of the operation of imperialism and the paradigm of development it professes all over the world.

The people are displaced from and deprived of the 'ownership' and control of their traditional source of sustenance in the name of so called development. It is proved that the so called development has never been able to absorb the demand for original level of livelihood of the entire people it displaces and deprives, not to speak of the "development" of the entire State or country it promises. This has been already proved in case of the displacements from projects, in Orissa like Hirakud, Rengali, Indravati, NALCO, Upper Kolab, NTPC where the displacees have been reduced to beggars, slum dwellers in cities, and the womenfolk to prostitution.

Granting that the entire displaced people will be employed

in the developmental project they will simply be made "wage slaves" without any ownership and control over the source of their livelihood and also without any guarantee of any livelihood in future.

The other pattern of operation of the imperialist capital that is being fully reflected in the proposed Steel Plant at Gopalpur is concentration of social surplus more and more in the hands of capitalists due to the collusion of technology with capital fully enslaving or displacing labour. In terms of wages and benefits to the labourers, compared to cases of other steel plants like Rourkela the fate will be worse or workers.

It is learnt that the Gopalpur Steel Plant will be using the fifth generation technology employing only 857 persons most of whom shall be highly skilled persons leaving some Chaprasi and Clerical posts to the common unskilled persons. It is also learnt that the surplus employees at, TISCO, Jamshedpur due to modernisation there, are proposed to be re-employed at Gopalpur by Tatas.

The third classical symptom of the operation of imperialist capital that has been manifested is the unholy nexus of the

retainer capitalists like Tatas with the imperialists in the name of technology import and attracting foreign investment with total overt anti-people patronising of the political power and glamour hungry ruling elites. The agents and accomplices of world capitalists have been fully successful in captivating the political power by commissions and kickbacks. Their retainers, in the ruling class have not only readily swallowed their bait for the petty gains of their class accruing from this so called developmental loots but also are propagating their developmental hoax to the common people who will be the first victim of this type of development.

The hysteria of a second Steel Plant In Orissa has been hyped to such an extent as a vote catching device and made to be a prestige issue between two "Pattanais" that to talk against this anti-people hoax is now dangerous, leading to be dubbed as anti people.

It is high time that all the patriotic and democratic minded people should raise their protest against these anti-people projects.

(Prepared based on a report made by Manabika Adhikar, Sangathan, Orissa)

Proposed Gopalpur Steel Plant

Proposed Capacity	-	10 m tonne
Total no. of employment to be generated	-	857
No. of people to be displaced	-	25,000
Land to be acquired	-	6000 acres
Density of population in the area	-	1041 per sq kms.
Density of population of Orissa	-	202 per sq kms
Annual yield from the land to be acquired	-	34.15 qtls/per ha
Average annual yield from the land in Orissa	-	14.53 qtls/per ha

(Source VOICE Gopalpur Vol.1)

On Deng Tsiaoping

To be disliked by the enemy is a good thing. It means you are in general on the right path. Similarly, if one is glorified by the enemy it means there is something fundamentally wrong with him or her as far as the people's cause is concerned. If Stalin and Mao are violently disliked and continuous vilification campaigns are organised still against them by the imperialists and their agents it is not difficult to understand the reasons. After all it was Stalin and Mao who gave leadership to the world people to fight against imperialism and led the socialist forces to historic victories based on Marxist-Leninist teachings. Besides from the time Marx and Engels put forward the Communist Manifesto, the enemy camp is engaged in manufacturing numerous ideologies of their own like the latest postmodernism to attack the very concepts of seizure of political power by the proletarian forces and the dictatorship of the proletariat. And like Stalin and Mao, Marx, Engels and Lenin are vilified and slandered continuously by the enemy camp for putting forward these concepts. Compare these with the glorification of Deng when he passed away as the greatest leader of Chinese people by the Clintons, John Majors and the compradors like those who lead the ruling class parties in India. These rich tributes paid by the imperialists and their agents expose the real character of Deng and those like him.

As far as Deng Tsiaoping is concerned his life had two parts. In his early years he joined the Communist Party of China and under the leadership of Mao played an important role in the victory of the New Democratic Revolution in China. In carrying out the early tasks of the N D R also he played an important role.

But once Mao Tsetung called for carrying forward the revolution to socialist transformation stage, differences started cropping up within the C P C. A serious inner party struggle erupted in the main between those who wanted to advance towards socialist revolution and those who wanted to freeze the revolution and to give one-sided emphasis on development of productive forces. Deng along with Liu Shochi belonged to the latter camp. As the socialist revolution advanced this inner party struggle intensified and transformed to two lines, of socialist path and capitalist path. During the Cul-

tural Revolution there were conscious efforts by the capitalist roaders to sabotage the socialist advances. They one-sidedly magnified the errors committed by the sectarian forces who were utilising the banner of C R, and instead of helping to resist them, utilised their sectarian actions to malign the CR. As they turned the inner party struggle into antagonistic contradiction and continuously attacked the socialist roaders, Deng, Liu like forces were removed from all positions of authority.

After the Tenth Congress of the C P C held in 1973 which marked an important stage in the struggle against the sectarian trend represented by Lin Piao, Deng was reinstated as he self-criticised and promised to implement the party's general line. But this self-criticism and promise were proved meaningless. Once inside the party and the state apparatus, Deng again became the rallying point of the capitalist roaders. He intensified the struggle against the socialist transformation steps taken by Mao in the name of criticising the sectarian mistakes during the Cultural Revolution. He refused to identify the positive aspects of C R which was launched by Mao as a process of class struggle under the dictatorship of the proletariat. He dubbed it as a pack of gross mistakes by one sidedly repeating the excesses committed by the sectarian forces. In effect the sectarian Linpiaoist trend became a very useful weapon for Dengists to attack the socialist roaders once again proving that right opportunism and sectarianism are two sides of the same coin. Cunningly avoiding direct attack on Mao, the Dengists focussed their attack on the socialist roaders who were struggling against both Lin piaoist sectarianism and Deng revisionism. Side by side pretending to be an active advocate of the 'Four Modernisations' launched by Mao to strengthen the socialist advances, Dengists made all possible efforts to implement the 'white cat, black cat' theory under its banner.

When these conspiratorial moves were turned into efforts for open revolt to usurp power utilising the memorial meeting for Chou Enlai in 1976 beginning, Deng was once again expelled from all positions in party and state. The struggle against the capitalist road advocated by Deng was intensified. But before this struggle could weaken the hold of Dengist ideas within

the party, state and the army Mao Tsetung expired. It provided the much awaited opportunity for the Dengists who were covertly supported by the imperialist camp led by US imperialism as well as the revisionists of all brands led by Soviet social imperialism. Utilising the services of the centrist Hua Kuofeng and staging a swift military coup to suppress the socialist roaders, Dengists managed to usurp power. They reversed the socialist policies and announced many capitalist initiatives to rally the capitalist elements at every level. At the same time they were particular to create the impression that they were following Mao's verdicts by eulogising him by embalming his body and erecting a memorial against his wishes, publishing the fifth volume of his selected works, and repeating lies and slanders against the socialist roaders including Chiang Ching. Even the eleventh congress of the C P C was utilised for this purpose. But once they consolidated their position at all levels utilising all heinous and suppressive measures, Deng came out as the supreme leader in 1978 and the attacks on Mao's revolutionary contributions were intensified. 'Four Modernisations' put forward by Mao was turned into structural adjustment policies as advised by I M F and World Bank to initiate privatisation and liberalisation at all levels. The socialist structures built up during two and half decades were demolished at increasing pace. The *general line* of the International Communist Movement put forward by Mao in the course of the *Great Debate* was abandoned and replaced by the class collaborationist and counter revolutionary 'Theory of Three Worlds' as the strategic line of the world proletariat. The positive contributions of the CR including Mao's contributions on continuing the revolution under the dictatorship of the proletariat were thrown out. Mao's teaching 'take class struggle as the key link' was replaced by 'production by any means as the key link'. Soon it became a total reversal of the socialist path in the name of '*socialist market economy*' and under the banner of '*socialism with Chinese characteristics*'.

The consequences of these policies are clearly manifested in both internal and external policies pursued by Chinese rulers during last two decades. All socialist institutions like Communes, putting workers and peasants in power increasingly at all levels, the *iron rice-bowl* that is guaranteeing social welfare measures like education, employment, all essential requirements at fixed prices, housing Public health etc, total liberation from the hold of imperialist capital, restricting market system increa-

singly and continuously etc are abolished. The slogan 'to get rich is good' is implemented everywhere. Starting with 'Non-Resident Chinese' the imperialist capital and MNCs are allowed free entry with permissions to repatriate profit. Chinese coastal region is converted into new Hong Kongs. From a country with no foreign or domestic debt in 1976, in two decades the foreign debts have sky-rocketed to \$ 140 billions. Alongwith industrial sector, the agrarian sector also is increasingly integrated with international market. Though, due to the industrial and agrarian advances achieved through two and half decades of socialist construction all effects of these neocolonisation measures are not so far felt as seriously as in other neocolonies, the spiralling gap between a minority of neo-rich and vast majority who are getting more and more dispossessed has started exposing the consequences of this neocolonisation.

In the socio-cultural scene, once again the imperialist cultural aggression and feudal remnants have started exerting their impact. As in the imperialist countries and neo colonies 'get-rich' ideas have started making the society corrupt and criminal. The proletarian democracy, that is the dictatorship of the proletariat, is now replaced by bureaucratic dictatorship and under imperialist prompting it is in the process of transforming to western model bourgeois dictatorships. The socialist values strenuously built up during the socialist period are replaced by decadent capitalist values.

As the Communist Party of China (CPC) is turned into a Party of the new bureaucratic bourgeoisie, proletarian internationalism is replaced by subservience to imperialism. As a result Chinese foreign policy has become basically similar to that of a neocolonial country like India. It covertly or overtly support the aggressive policies of imperialism now led by US imperialism as in Iraq and numerous other cases. In the case of the C T B T doctored by US, it supported this heinous policy of the nuclear-haves. It is ready to go to any extent to become active participant in ASIAN and APEC. In short, in spite of its name, redflag and jargons, the Chinese Leadership today is apologists of neo colonialism.

Those who still call this China as socialist, are either imperialists who want to hoodwink the people, or revisionists who want to justify their own class-betrayal. That they are successful to a considerable extent to pursue their nefarious efforts in order to ideologically disarm the world proletariat, shows the nece-

MICRO CREDIT

[An edited version of the release of Public Interest Research Group, an N.G.O. While bringing out many information this NGO study wanted to laud Micro Credit as a measure for 'empowerment' of the poor. As facts speak otherwise as in the case of all N.G.O studies, we took the information only. It shows that Micro Credit is nothing but another neocolonial measure to fleece the poor to further enrich imperialist chieftains and their compradors.]

A global campaign to ensure that 100 million of the world's poorest families receive credit for self employment by the year 2000 was launched at the three-day Microcredit Summit in Washington, DC, on February 2-4 1997. Organised by RESULTS Educational Fund, a US-based non-governmental organisation (NGO), this summit is supported by an array of financial and development institutions including the World Bank, International Fund for Agriculture and Development, and transnational banking institutions like Citicorp, Chase Manhattan and American Express.

Microcredit has the support of many women's advocates who view expansion of microcredit as a potential bellweather for women's empowerment as poor women gain greater access to financial resources. Multilateral development banks, in an era of budget cuts and disbursement reductions, are embracing microcredit as an opportunity for them to move away from the capital-intensive "development as charity" mod-

ersity for intensifying an all out struggle to uphold the basic teachings of Marxism-Leninism on the part of the Communist revolutionaries.

The occasion of the death of Deng Tsiaping is now utilised by the imperialists as well as the revisionists to launch a fresh offensive against the socialist values and the socialist path itself. Deng is camouflaged as a great 'Communist revolutionary,' as the paramount leader who led China to greatness, obliterating the glorious history of the CPC under Mao's leadership. Some of the arch-revisionists have not hesitated to depict him as the leader of the ICM. They are vulgarising history and erasing the line of demarcation between Marxism and revisionism.

The Marxist-Leninists should intensify their ideological offensive in all fields to beat back this counter-revolutionary offensive.

el to the potentially more profitable "development as business." But perhaps most significantly, the financial community has woken up to the fact that there is a great deal of money to be made in microlending, where interest rates can range from 20 to 100 percent. Microcredit is often portrayed as a "win-win" option, where investors profit handsomely while the poor gain access to resources that allow them to help themselves. The reality, however, is not always so rosy.

In India, a number of self-help groups (SHGs) were created in the 1980s to provide credit facilities to the poor, especially women, in both urban and rural areas. These SHGs stumbled upon a surprising finding: By targeting women, repayment rates came in well over 95 percent, higher than most traditional banks. Impressed by the repayment rates, institutions like National Bank for Rural Development (NABARD) and Small Industries Development Bank of India (SIDBI) began increasing their lending to SHGs in India. However, the lending rates of SHGs to borrowers were not cheap. For example, (SIDBI) lent to NGOs at 9%; NGOs were allowed to onlend to SHGs at a rate up to 15%; and SHGs, in turn, were allowed to charge up to 30% to individual borrowers. Although such high-interest credit is touted as a vehicle for poverty alleviation wherein the poor use the funds to undertake commercial ventures, various studies have found that the loans are largely used by poor people to meet their daily consumption needs.

Nevertheless, similar microcredit operations are now being established in India, with liberal grants from international donor agencies like Ford Foundation, UNDP and Swiss Agency for Development and Cooperation (SDC). This seed money, in turn, will attract additional capital from the corporate sector and financial institutions. Loans are to be provided to borrowers through a network of subsidiary lending institutions. In order to assure investors a good rate of economic return, these corporate entities will lend at market rates. Critics charge that such microcredit, rather than resulting in poverty alleviation will simply keep the poor on the treadmill of debt.

The World Bank last year launched its own microlending arm, the "Consultative Group to Assist the Poorest," (CGAP) with the goal of "systematically increasing resources in microfinance." World Bank President James Wolfen-

sohn announced this program at the 1995 Fourth World Conference on Women in Beijing, claiming CGAP would improve access to microcredit for "the globe's poorest citizens, particularly women."

Will CGAP and other microlending programs will actually achieve the goals? The World Bank's CGAP, is focused on microlending as an end in itself.

A recent report produced by the Washington, DC-based Institute for Policy Studies, found that 46 percent of CGAP's expenditures in its first year of operation was spent on policy reforms which may benefit lenders but end up hurting poor borrowers, particularly women. For example, CGAP views microlending as unviable in the presence of usury laws—laws which provide ceilings on interest rates. Thus, its first order of business at a \$500,000 conference in Mali was to get government officials to repeal their nation's usury laws. CGAP also calls on countries to completely privatize their microlending institutions, removing all subsidies for banks which service the poor. Such reforms would force banks which relied on subsidies for years before becoming financially viable, to shut down or charge much higher interest rates to reach self-sufficiency in a shorter time-span. CGAP also advocates stronger debt collection laws—specifically collateral laws—which will result in a safer environment for bankers but which could exclude the poorest, and poor women in particular, from access to small loans.

CGAP is arguably a small program— whose

total budget approximates one-tenth of one percent of overall World Bank lending. Yet if past performance is any guide, this small program could prove to wield significant clout in defining the parameters and practices for micro-lenders.

In the current global economic climate, microcredit as a poverty alleviation tool, by itself, is analogous to giving a man a fishing pole, and telling him to go fish—in the wake of a giant trawler whose net spans the horizon. Macroeconomic policies of liberalisation and globalisation have destroyed many formal sector jobs; drastic cuts in social sector spending under the rubric of World Bank imposed structural adjustment programmes coupled with the absence of any social safety net has further aggravated poverty for the World's poorest. The only option for many poor is self-employment, which microcredit aims to foster. Yet the odds are stacked against the self-employed in the global marketplace. Consumer trends fluctuate nearly as wildly as the economy, which is becoming more prone to external factors as India opens its markets. Aggressive brand selling and marketing coupled with the strong financial clout of transnational corporations places the poor, at a particularly unfair advantage in the global marketplace.

In this context, microcredit, at best, can lead to micro-solutions. Any developmental strategy will require far more than the "band-aid" of microcredit on the gaping wound of poverty and unemployment. ●

WHITHER N P M O ?

That the National Platform of Mass Organisations (NFMO) held a national convention on 16 December 1996 and called for an agitation during February-March 1997 to "express its anguish over the non-chalant pursuance of the retrograde policy of "liberalisation" by the UF government creating severe adverse impact on the life of the common people" raises serious questions especially when this formation is led by the mass organisations of the LF parties led by CPI (M).

The declaration adopted by the convention states, "the policies of the government of India as reflected in the last budget and the subsequent measures led to deterioration of the economic situation. Despite tall commitments nothing has been done to check the price rise leading to impoverishment of common people arising out of failure to ensure expansion of

public distribution system. Nor any radical steps has been taken for upliftment of the lot of poor people particularly in unorganised and rural sector. It is also noted with concern that there has been a consistent decline in the real minimum wages all around. Growing casualisation and contracterisation of labour and decline in the proportion of permanent work force has become the order of the day.

"Despite assurances the comprehensive central legislation for agricultural labour has not yet been introduced in the parliament. Neither any concrete steps has been taken for radical land reform... .."

"The Convention further notes that in the background of phenomenal rise in unemployment no concrete measures have been taken for employment generation. On the other hand, economic policy measures are bringing gloom,

to domestic industrial economy making further bleak the prospective of productive employment generation. The growth of industrial production has already marked a decline during the first six months of the current year. Nothing has been done to revive the vast number of sick industrial units. On the contrary the so-called economic reforms have led to closures aggravating the unemployment situation. Side by side in spite of total opposition by the TU movement the central govt. is proceeding with the process of reckless disinvestment of PSU shares, which if allowed to continue as per the design of the govt. would end in dismantlement of 90% of the PSU network in the country. Further opening of the vital sectors of the economy like Telecom, Insurance, Power etc. to foreign and private monopoly capital would also seriously endanger the self-reliance, besides adversely impairing the indigenous units in those areas

"In the field of education as well, the steps being taken by the govt. indicate a clear tilt towards greater commercialisation of education taking education beyond the reach of the poor people. The patrons of globalisation remained mere onlookers to the desperate invasion of international media network through electronic media and other means with their merchandise of degenerated culture immensely harming the cultural fabric of the country.

"Women became the worst victims of the so-called policy of liberalisation. The women workers in thousands in the unorganised sector lost jobs; atrocities on women increased with impunity; rights of women get the least priority in the society. Despite commitment from all political parties, 33% reservation for women in parliament and assemblies could not be ensured as yet....."

So the Convention noted that "the IMF-World Bank dictated policy measures must be squarely defeated if the national as well as common people's interests are to be defended".

The Convention also extended support to the campaign of the PSU workers against anti-PSU policy of the government of India.

The declaration on the whole expresses well the reaction of the toiling masses and progressive forces against the policies continued by UF government in the interest of imperialist and private monopoly capital. But it refuses to accept the fact that the UF government is born and surviving with the support and initiative of these very same LF parties also, whose mass organisations are leading the NPMO Besides,

in Bengal, Kerala and Tripura the LF governments are following the very same reactionary policies. In the name of keeping BJP out of power, the LF parties as a part of UF are party to the imperialist dictated policies of Rao government being implemented by the UF government. Similarly, by saying that the state governments have no other way out but implementing the central government's policies, the state governments led by LF are justifying their anti-people policies. When the anti-worker pension bill was got approved by both houses of parliament in haste, the LF members did not vote against them. Thus while raising hollow criticisms against the UF policies, the LF parties are lauding the UF as a historic progressive step. In this situation, if the mass organisations led by these LF parties are coming out with such a declaration and putting forward an agitational platform, it lacks sincerity. It is nothing but an opportunist move to conceal their surrender to ruling class policies. It is also a calculated effort to weaken the efforts of the revolutionary left to get together for decisive countrywide movement against the ruling class policies.

The revolutionary left forces have to carry forward a two-fold policy. On the one hand they should expose the opportunist line of the LF parties who have embraced social democracy once for all. On the other hand, they should strengthen their unity and dare to give leadership to a united peoples's movement based on democratic slogans. Only in this way they can win over the mass organisations and progressive forces still led astray by the leaderships of the LF parties led by CPI (M).

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Build Up People's Movement To Resist The Imperialist Cultural Onslaught

Report on the All India Cultural Camp held at Kannur, Kerala

The All India Cultural camp held at Kannur in Kerala on 12th, 13th and 14th of March 1997 decided to take up the tasks of unification and consolidation of people's and progressive cultural activities taking into account the present day cultural situation where the cultural upper hand of the left and progressive forces are getting weakened and the imperialists and their 'culture industry' and the reactionary forces who subscribe to the imperialist ideologies and the communal and religious fundamentalist forces try to establish their hegemony at the cultural front. The camp attended by revolutionary, progressive and democratic cultural activists, artists and intellectuals from various parts of the country further decided to go forward with the objective of building up a progressive and democratic cultural movement at All India level, by taking lessons from the historical experiences of Progressive Writers' Association and I P T A and by internalising the anti-imperialist cultural essence of their activities.

The camp, hosted by J K S V (Janakeeya KalaSahithya Vedi (Kerala) was the continuation of the camp held at Jabalpur, M P during 10-12 of October last year.

The first session of the camp, started at the morning of 12th March was presided over by Com: P. J James of Janakeeya KalaSahithya Vedi (J K S V). Dr. K. N. Ajoykumar, convenor of the reception committee welcomed the delegates. com: P. K. Venugopalan, State Secretary of J. K. S V made the introductory speech. He explained of the context and background in which the camp is held and the objectives of the same. Citing the unanimous resolution adopted at the Jabalpur camp which called upon all the democratic, progressive and revolutionary cultural activists and organisations to unitedly ally with the struggles of people against imperialism and feudalism, he expressed hope that the camp would be helpful to provide an impetus to the struggles against the culture, ideology and politics propagated by the forces of imp-

erialism and reaction.

The first session was that of presentation of reports on experiences of cultural movements of different regions and the present situation. Delegates from various parts of the country presented reports.

Comrade Saroj Dass of OPWAIA (Orissa Progressive Writers and Intellectuals Association) Orissa, presented the report along with a paper on culture and cultural movement. He pointed at the contradictory situation in Orissa where acute poverty and pre-feudal relations of production still exist alongwith the proliferating market of imperialist consumer goods.

Com: B. M. Puttaiah from Janasanskritik Sangh, Karnataka said that Karnataka is turned as the testing ground and target area of all imperialist products in India. It is not accidental that all those things like Kentucky chicken, the Beauty Pageant, Cargill like agribusiness monopolies have appeared first in Karnataka.

Com: G. P. Mishra, one of the editors of 'Real Wealth' from Kanpur, U P explained how the communal forces are trying to divide the workers of industrial areas like Kanpur on communal lines. He stressed upon the necessity to start a genuine progressive cultural movement capable to make the reactionary trend defeated.

Com: P. N. Chatterjee of 'Gonasamskritik Andolon' Calcutta spoke on the confusion prevailing in the cultural scene of West Bengal. He pointed out that imperialist cultural commodities are being sold out among intellectuals, youth and even among workers of West Bengal like opium.

Comrades Raghu and Prof. Thankaveluswamy pointed to the present day cultural realities of TamilNadu. Prof. Thankaveluswamy explained how the progressive streams evolved from the historic dravidian movement and of the influences of imperialist projects like the Green revolution.

(Contd. P 23)

Resolutions Adopted At The All India Cultural Camp

I Release Com: Gaddar unconditionally and revoke all charges against him

Comrade Gaddar the well known revolutionary poet, singer, and cultural activist of Andhra Pradesh was arrested alongwith seven civil rights activists at Nalgonda on 22nd of February 1997 and implicated in false cases and detained. The charges against him are that of making nuisance, supporting banned revolutionary organisations and using of foul language against Chief Minister, Home Minister and I G of Grey hounds, the special police force organised for suppression of revolutionaries.

As we know, killing of revolutionaries in fake encounters is the order of the day in Andhra Pradesh, Bihar and other places. Revolutionary organisations are banned and the activists are arrested, kept in illegal custody, tortured and even killed. Even the cultural activists are not spared. The Government and state machinery are not even ready to conduct post mortem of the dead bodies of revolutionaries murdered in fake encounters or to hand over it to the kith and kin of those comrades. Comrades belonging to all revolutionary organisations are treated in the same manner.

Comrade Gaddar was arrested while he was demanding the release of the dead bodies of two revolutionaries killed in fake encounter.

The All India Camp of revolutionary cultural activists held at Kannur, Kerala strongly condemn the Govt action against Com: Gaddar, the executive committee member of A I L R C and other civil rights activists and demand the unconditional release of him and to revoke all the charges framed against him. We further demand to revoke the ban orders imposed upon all revolutionary organisations, put an end to all fake encounters and illegal detention and torture of revolutionary political and cultural activists.

II Get united against the ruling classes' new cultural offensive

Present trends in the cultural life of India which is already under the grip of neocolonial

interests of imperialism and feudalism are those of fast degenerating. As is manifested through the recent Jackson show in Mumbai and the world beauty show in Bangalore, the degradation of Indian cultural scene is reaching unfathomable levels. In the context of the unprecedentedly liberal policies announced in the second budget of Gowda Govt: facilitating the intensified penetration of electronics and information technology into the country, India also is going to be fully integrated into what is called 'information super highway' built up by world's media billionaires such as Murdoch, Bill Gates and the like. Instead of devoting the new developments in technology including the internet to the propagation of scientific spirit and rational outlook in life, hand in glove with the religious fundamentalist, casteist and reactionary forces, feudal and pre-feudal values are being propped up all over the country. Programmes like 'Om Namassivaya' and 'SriKrishna' relayed through the electronic media in continuation of the earlier 'Ramayana' and 'Mahabharatha' serials are aimed at reviving and perpetuating religious mysticism and obscurantism. The consequences of this unholy alliance between the 'culture industry' of the imperialist west and oriental feudal reaction is the manipulation of people's consciousness in favour of the existing order. Along with this, using the new possibilities opened up by printed, electronic and computer media, various post-modernist thoughts which are intellectual products of decaying imperialism are thrust upon the people to deviate them from progressive thinking. In the process, a series of divisive and fragmentising categories such as caste, religion, race, nationality, language and ethnicity are used intensively. These new developments have also led to a section of the intelligentsia who till yesterday was keeping a posture of progressiveness to come out in the open as protagonists of the new decaying cultural trends.

The participants of All India cultural camp held at Kannur on 1997 March 12-14 resolve and call upon all the progressive democratic and revolutionary cultural activists and organisations to unitedly come forward fighting against these trends.

(From P. 21)

Explaining the contemporary cultural scene of Kerala com: P. K. Venugopalan pointed to the history of renaissance movement started in the early half of 19th century and how it prepared ground for the Progressive and left cultural movement of 1930s and 40s born and brought up along with the communist movement.

Com: Bhuvaneswary Pratap, writer and activist from Bhopal pointed to the necessity of united activities against all reactionary trends including communalism which is connected at all levels with imperialism.

Com: Asit from Madhya Pradesh talked upon the progressive trends of Hindi literature. He opined that no revolutionary cultural movement can go forward by joining hands with social democrats and revisionists.

Com: P. J. James who presided over the session concluded it evaluating the general factors of the experiences and observations of the delegates.

The open seminar held at the evening on the subject, 'Cultural dimensions of Globalisation', was presided over by Com: K. N. Ajoykumar. Com: P. J. James, Prof. Kochadai, Ravindra Shukla, and P.K. Venugopalan participated

Nalapadam Padmanabhan, Rafeek Ahmed, Divakaran Vishnumangalam, Sivasdas Purameri, O.M. Ramakrishnan, and Joseph participated in the poets session ensured Dr. Shanmughan Pulappatta presided over the session.

On the second day of the camp the main subject of discussion was 'Our approach towards Post modernism'. The session was presided over by Com: P.N. Chatterjee. Com: P. J. James presented the paper 'Post modernism: A product of Imperialist Degeneration'. Comrade James said that the Post modernist thoughts which fragmentise everything related with life like thought, conscience sensibility, social sense etc. and refuse the class realities and the tortuous political power of the existing system and propagate that everything has its solution within the system itself and negate absolutely all the organised movements fighting for emancipation only help the imperialism and its ideologues.

Com: Asit of 'Vikalp' Jabalpur opined participating the discussion ensued that the Post-modernism is not merely a subject related with culture but a part of the political agenda imposed

by imperialist powers upon the third world countries. Com: Ravindra Shukla said that post modernist ideologues take advantage of the hurried theorisations from the part of some so called Marxists to reduce all social phenomena into some oversimplified formulae.

Prof Thakaveluswamy, Com: Raghu, Prof Kochadai (T. N.), Saroj Dass (Orissa), Vijayakumar, Ajoykumar, Edwin, Dr. Shanmughan Pulappatta (Kerala), Com: G. P. Mishra, Sakuntala (U. P.) Com: B. M. Puttaiah (Karnatka) and others participated in the discussion.

Com: M. M. Somasekharan of CPI (ML) Red Flag said that the philosophical formulae of post modernism are instrumental for the imposition of ideological slavery upon the poverty stricken third world countries and the confusion in the realm of thought created by it is being used to deviate the efforts of emancipation. While the post modern thoughts refuse to be within the agreed frames of definitions it do not come even to the level of idealism but remain at the levels of subjective idealism. There is nothing new in it. The politics and philosophy of Post modernism are brought up as a part of the consistent efforts to negate Marxism and to make it irrelevant. It negates historicity and the very concept of time itself. Time is meaningless in the concepts of post modernism. While it employs its own terminology and methodology it is not the concern of Post modernists that whether their philosophy and ideology contribute anything to emancipate the human being and society from the demonic embrace of imperialism.

Comrade James concluded the discussion explaining his positions to the responses of comrades participated.

The open seminar on 'Revivalism and the new role of intelligentsia' was held in the evening of the second day. Dr: K. K. N. Kurup, M. M. Somasekharan and P. N Chatterjee spoke. Dr. K. K. N Kurup, the noted historian opined that no religious ideologies can ensure the liberation or emancipation of India but it is possible only through the struggles of toiling masses based upon a scientific and revolutionary ideology. Com: Somasekharan said that what is being brought back into society by the revivalist forces is nothing but the class hegemony of reactionary forces subserving the imperialist power interests. Com: P. K. Venugopalan presided over the seminar

Letter from Com; Banbehari Chakravarthy greeting the All India Cultural Camp held at Kannur

Dear Comrades,

In spite of my very earnest efforts to keep myself fit enough to travel to Kannur to attend the All India Cultural camp, I have failed, and regret very much this failure. For the last ten days I have been lying on bed and therefore it has not been possible for me to prepare any paper for discussion.

At the Jabalpur meeting we had discussed that the building up of a Revolutionary Cultural Movement in India would be a long and complicated process and would require several meetings and prolonged discussions. Please arrange to send me the copies of papers to be presented along with a summary of discussions, if possible, so that it may be convenient for me to participate in the next phase of the discussion in writing and in any other cultural camp that may be arranged in future.

I take this opportunity to urge upon the participants to be cautious and not to be swayed into the whirlpool of high-faluting academic discussion, the trend which is so evident in West Bengal today. I am afraid, a section of the Marxist intellectuals who have been inattentive to the historical experience of the era of imperialism, have fallen victim to the charm of Post-modernism which opposes class struggle and homogeneity and highlight the sectional problems of tribes, gender, religion, caste etc. Instead of carrying on investigations to the complexity of forms of class struggle in the present stage of social development, the intellectuals prefer to sink deep into the quicksand of barren academic discussions resulting in total inactivity.

Comrades Swapan Das (Bengal), Puttaiah Shaila, Kamadal (Karnataka), Saroj Dass, and Jalandar Jena (Orissa) presented cultural Programmes.

On the third day of the camp, ie 14th March the main subject of discussion was 'towards building up a Revolutionary Cultural Movement in India'. Com: Raghu presided over the session. Com: M. M. Somasekharan presented the paper relating the basic approach to be taken on building

Some academic Marxists think that Post-modernism is the natural outcome of the limitation of Marxism. They fail to see that Post-modernism is one of the many deliberately planned method of world imperialism to combat Communist philosophy. And this method is nothing new. We have already noted that the League of Nations, in the twenties and thirties of this century, commissioned the agents of the Second International as non-governmental or voluntary organisations to counteract the activities of the Communist International. (Cf. Real Wealth: Vol I No. 2, Sept. 1996). That Post-modernism is a deliberate method of world imperialism to combat the activities not only of the Revolutionary Marxists but also of all forms of class struggle and political movements may be clearly seen in the recent decision of the World Bank in respect of developmental loan granted to West Bengal. According to the terms of the loan, only voluntary organisations approved by the World Bank will be allowed to make use of the loan for rural development.

In the Jabalpur meeting of the cultural activists we had resolved to build up a cultural movement against imperialism. I hope that the Kannur Camp will keep up the spirit of Jabalpur.

I heartily wish that the Kannur Camp will advance our cause a step farther.

With revolutionary greetings

Calcutta (Banbehari Chakravarthy)
7. 3. 1997. MARXIST-LENINIST GROUP FOR
IDEOLOGICAL STRUGGLE

up a revolutionary cultural movement.

Comrade M. M. Somasekharan invited the attention of all delegates to the glorious heritage of anti imperialist struggles and renaissance movements and the great history of the progressive artists' and writers' movement which upheld the working class ideology and was a part of those struggles and to the experiences of ideological struggles waged at the cultural front under its leadership. Differing

Agriculture: The Liberalisation Mania

'Continuity with change' is the fuzzy logic of the United Front Government. Every

from the revisionists who abandoned this positive historic lessons and embraced the decadent streams like post modernism, we have to go forward with our efforts to build up a new cultural movement internalising the lessons of those cultural upheavals of yester years and proletarian internationalism and joining hands with all political and social movements struggling to realise the revolutionary and democratic aspirations of the people. He said.

Comrades Bhuvanewari Pratap, Asit, Thangaveluswami, G.P Mishra, R.K Nair, Awadesh Bajpai, Vijaykumar, P. J. James, Binod Sahu, Ravindra Shukla, T.A. Babu, Shanmughan Pulappatta and others took part in the discussion. Concluding the discussion Com: Somasekharan said that it would be improper to finalise such an important paper related to the basic approach and we have to take up the discussion on it to much higher levels in the next phase of the process.

The programmes proposed to be taken up in continuation of the camp and the outline of the future programme were presented. It was decided to hold the next camp at Patna in Bihar within some months. Comrades P.N Chatterjee, Asit, Ravindra Shukla and others put forward their suggestions to make the next camp more fruitful.

The participants of camp unanimously adopted the resolution condemning the arrest of Com: Gadder and calling upon all progressive and revolutionary cultural activists and organisations to get united against the new cultural onslaughts from the part of ruling classes.

Delegates from various states spoke evaluating the experiences of the camp. Com: Ajoykumar expressed vote of thanks to the participants of the camp on behalf of the reception committee. The camp came to an end with the public function organised in connection with the commemoration of the martyr Comrade Ramesan.

The exhibition of the paintings of Com: Awadesh from M.P. was also concluded along with that.

—Robinson

constituent of the patch-up coalition government under Mr. Deve Gowda swears by the Common Minimum Programme (CMP) as if it is a God-given Book of Revelations. The whole world knows that in spite of its title, the CMP represents the maximum area of agreement on the vaguest generalities. Is the CMP at all a document which hints even broadly at any fundamental transformation of Indian agriculture?

Never mind such embarrassing questions. After all, the Prime Minister, has made a categorical declaration and that too at the India Economic Summit which the World Economic Forum organised in New Delhi last week in collaboration with the Confederation of Indian Industry (CII), that his Government was hatching a new agricultural policy. A new blueprint for Indian agriculture for the Brave New World beyond the Uruguay Round? To discount the effort as nothing more than the penchant of an insecure Government to seek to reinvent the wheel at any cost would be to miss the quintessence of the resolve which is to show the world that Indian agriculture would not be left to drift when the whole economy is being driven towards the goal of globalisation.

FDI for agricultural diversification

Why did Mr. Gowda choose the forum of the Indian Economic Summit for the announcement that a new farm policy was on the anvil? Expert observers tend to equate the extempore announcements of Mr. Gowda, at conferences particularly of foreign investors, with exercises in the nature of "thinking aloud" which would perhaps be more appropriate at Cabinet meetings! Nonetheless the inference is logical that on the particular occasion under discussion. Mr. Gowda wanted to remove the general impression that foreign direct investments would be welcome in infrastructure and not in agriculture.

The new paradigm and food security

The model for agriculture envisioned by the Karnataka policy (now intended to be nationalised for the purpose of globalisation) is clearly one of crop diversification based on capital intensification and driven by global

Balance of payment shaky

In 1991 Rao-Manmohan NEP was justified as panacea for the balance of payment crisis. But after five and half years of NEP once again BOP is creating nightmares with the possibilities for Mexican like crisis always in the shadow. The finance ministry and advocates of NEP counter it by arguing that presently India has a comfortable \$ 19.15 billion foreign exchange reserve. But how volatile it is, can be

markets. Implicit in this model is the complacent belief that India's goal of food self-sufficiency has already been attained. At around 195 million tonnes, food production is assumed to be at a level which is more than comfortable. That this could prove to be a myopic vision what with the decline in land area available for cultivation of cereals and the continued official policy of pricing foodgrains beyond the reach of the 70 - 80 million households which represent the most vulnerable sections of the community, needs to be underlined. The danger is that the allure of globalisation could adversely affect the capacity of the nation to meet the basic food requirements of the people, while further enriching a small community of well-to-do farmers

A depressing scenario

The recent WORLDWATCH publication on the challenge of food security makes the point, among other things, that the automobile surge in India will itself result in a diminution of cropland, with vast tracts of agricultural lands being claimed for an expanded network of roads besides the setting up of production facilities. The comment that calls for deep consideration by policymakers and a concerned public is that "India appears to be giving little serious thought to the automobile threat to future food security, as its population approaches the one billion mark in 1999, heading for 1.4 billion by 2030". All this apart, the WORLDWATCH prognostication is that the gap between demand and supply of foodgrains in India will grow to 45 million tonnes by the year 2030. But this is not what the ardent visionaries of globalisation are envisaging. For them the whole process of transforming Indian agriculture into a global export-earner would constitute the path to the abolition of poverty!

(by S. Swaminathan, Hindu, November-6)

understood only when its composition is analysed.

Out of this reserve the outstanding balance under various NRI schemes alone amounts to \$ 17.18 billions. These are not fixed deposits, but are susceptible to get withdrawn at short notice if the rupee value starts falling or the economic stability here is threatened. These deposits are here not for patriotic considerations, but on attractive and competitive considerations and if the monetary authorities do not constantly upgrade their returns, or if their deposits are anyway threatened they can be withdrawn without notice.

Another source of foreign exchange inflow is short-term investments in Indian capital markets, known as institutional investments or portfolio investments. The total inflow of it \$ 6.7 billions by September '96. This is yet another factor keeping the reserves comfortable now. But if the alarms start ringing, these also can be withdrawn at short notice.

As far as exports are considered, Indian exports still constitute only 0.8 percent of world trade; even after many concessions it is not increasing phenomenally. Meanwhile the import bill is steadily rising making balance of payment look ominous.

So some NEP advocates argue that in the background of volatility of the non-resident funds as well as portfolio investments, the foreign direct investments, which are non-debt creating investments, and which bring along modern technology, new techniques of management, and employment opportunities are a better proposition. In spite of the glossy pictures presented the problem with FDI is that it also aims at speedy returns at as high rates as possible, leading to 'deindustrialisation' in consumer sectors for the native enterprises.

Both ways the NEP is pushing the country towards a dangerous situation.

Karnataka: Spate of militant mass movements

Under the leadership of the Karnataka state committee of CPI (ML) Red Flag militant mass movements are developing in different districts uninterruptedly involving tens of thousands of different sections of people.

As more and more industrial units are closed down or large number of workers are forced to quit under 'voluntary' retirement schemes (VRS) under privatisation pursued under the imperialist dictated policies, and as the traditional TU centres are not coming forward to oppose it, TUCI has taken up this issue at many places. Against transferring Vikrant Tyre Factory at Mysore and the proposed privatisation of Visweswarayya Iron and Steel Factory Bhadravathi TUCI local committees have launched agitations. Large number of workers are mobilised in these. Demanding action against those responsible for Ramnagar police firing in which four workers was killed the workers of Hati gold mines and in other sectors led by TUCI organised a big rally at Raichur. Workers entered the DC's office and gheraoed him. Only after urgent action was assured it was lifted. Again, the cycle rickshaw workers of Hospet (Bellary district) led by RYF organised a big demonstration demanding basic facilities and an end to police repression.

On March 8, the International Women's Day was observed at many places. More than one thousand women participated in a rally at Mysore demanding equal rights to women and an end to present exploitative ruling system. The well attended public meeting was addressed by leading comrades of TUCI, RCSS, RYF and RSF.

The anti-liquor movement is gaining strength in Mysore and Mandhya districts. On March 3 a protest demonstration was organised at Mysore against the DC demanding ban on liquor. When the deputy chief minister Sidharamiah visited Mysore large number of women, peasants, youth and students surrounded his car, and detained him demanding an end to liquor trade. Police resorted to brutal lathicharge in which many demonstrators were injured. Com. Kumar of RYF was brutally assaulted in which his right hand was broken.

Cases are charged against many.

Mandhya DC was surrounded by agitationists and beaten up. Again police resorted to lathicharge. Opposing liquor auction such protest demonstrations are organised at many places. The dharna before Mysore DC's office by the anti-liquor movement is more than 100 days' old and it has inspired people in different taluks to take up the agitation at local level.

The mass organisations have condemned the anti-people measures in the central and state budgets. The bus-fare hike and liquor policy of the state government are also severely criticised. Similarly, the immoral embrace of BJP and BSP in UP is roundly condemned as most opportunistic. These political offensives received good newspaper coverage reflecting the growing strength of the mass movements.

The peasant rally at Hospet in Bellary district was a good indication of the growing mass base of the party and the militant character of the mass movements launched. The big rally converged in front of taluk office and burned a copy of the amendment to the land ceiling act brought forward when Dewagowda was leading the state ministry. This big rally led by Ryot Cooli Samgram Samithi (RCSS) received good response from the people. The panic it created was reflected in the next day's newspaper headlines which read 'Naxalite raising head in Hospet in big way'.

The development of the mass movements in all fields has created enthusiasm among the people and is reflected in the growing organised strength of these organisations.

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