

The Red Flag

Number Three

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- HISTORICAL SIGNIFICANCE OF NAXALBARI
- INDIA'S ECONOMIC CRISIS:
NEED OF A HISTORICAL APPROACH
- 14th CONGRESS OF CP I (M): AN EVALUATION
- CLASS STRUGGLE ON THE
THEORETICAL FRONT

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We, the Communists, do not want official postings. We want revolution. We must have a thoroughly revolutionary spirit and must be with the masses every hour, every minute. As long as we are with the masses we shall always be victorious.

-Mao Tsetun

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EDITORIAL

This issue of Red Flag is coming out at a time when the Communist revolutionaries are observing the 23rd anniversary of Party formation on April 22 and when the 25th anniversary of Naxalbari Day, May 25, is approaching fast. CPI(ML) Red Flag has issued a call to March Along Naxalbari Path and to Hold High Communist Banner as the beginning of a countrywide political campaign culminating on Naxalbari Day with the following slogans: Patriots Unite; Kickout IMF-WB-MNCs; Confiscate Imperialist Capital; Write Off Imperialist Debts; March Forward Along The Path Of Agrarian Revolution. We are launching this political offensive at a time when the momentous developments internationally and within the country are compelling an ideological-political polarisation at all levels. The significance of these developments to the proletarian revolutionary forces are brought out in the studies included in this volume. Along with that the fact that revisionists are still on the revisionist path and that they still refuse to make any distinction between imperialism and Marxism is also brought out. These are very significant in the context of ideological-political and organisational reconstruction urgently needed in our country to rebuild CPI(ML) as the real proletarian vanguard capable of leading New Democratic Revolution to victory.

What we are witnessing at international level today is the arrogant march of US imperialists and their cronies towards a *New World Order* under which the oppressed nations and people are going to be subjected to unprecedented neo-colonial plunder. Iraq can be repeated in Libya once again.

to threaten and maim world people. UN is totally reduced to the status of a political tool of the Yankees. IMF-WB-GATT conditionalities and MNCs are utilised as effective tools of plunder. And within our country kowtowing to imperialist wishes Rao government of Congress(I) is engaged in a political waltz with BJP. The NF-LF alliance through their mock opposition to Rao govt's policies are shamelessly playing the role of apologists. At a time when an uncompromising anti-imperialist stand is called for, even sections of revolutionary camp and petty-bourgeois intellectuals are degenerating fast and joining band wagons like the so-called 'broad left alliance'. That is, while the ruling classes are polarising their forces fast many of the week-kneed are sucked in to their vortex and they are emboldened to arrogantly ride roughshod over the people and to continue their subservience to the imperialist masters.

It is a situation which demands the sharpest ideological-political response from the revolutionary forces. It is a situation similar to many of the historic moments in the past when the revolutionary forces had dared to meet the challenge and squarely faced the imperialists and their lackeys.

It is a fact that some of the revolutionary forces who are still in revolutionary practice have started responding to the new developments. But unless they come forward taking clearcut ideological political positions it is not going to help the polarisation of anti-imperialist, anti-feudal forces. The internal struggles taking place in some of these organisations itself shows the not-so-high ideological-political understanding among them. This has become the real obstacle to the unity of the revolutionary forces without which a mighty challenge cannot be thrown up against the enemies of the people.

We call upon all the revolutionary forces who have not yet degenerated to opportunist positions and who are still in the revolutionary path to emulate the spirit with which communist revolutionaries led by Charu Majumdar launched a fierce ideological struggle against all shades of revisionism in the sixties, to close their ranks, and to take initiative in building up unity of the revolutionary forces so that we can throw up a real challenge to the rotten anti-people system and lead the people towards a new dawn, to a *New Democratic India*.

Historical Significance of Naxalbari Struggle

K. N. Ramachandran

The coming May 25 marks the 25th anniversary of the great Naxalbari peasants' armed uprising. In the uncompromising struggle against revisionism on the one hand, and in opening up the path of uninterrupted anti-feudal, anti-imperialist struggles in the vast expanses of this country on the other, Naxalbari is historically significant as a watershed in Indian history. Today when, both at international level and within the country, all the basic contradictions have sharpened to an unprecedented level demanding most energetic responses from the revolutionary forces, taking lessons from Naxalbari and following Naxalbari path is of much significance. It is all the more important as many sections still existing in the name of Naxalbari have abandoned all basic Naxalbari positions. It is also very important as many of the forces who have deviated from Naxalbari path have started openly challenging the basic positions of Marxism-Leninism and embracing bourgeois positions. In this context rebuilding of CPI (ML) and advancing along the path of New Democratic Revolution is possible only by fighting against all deviations from basic Marxist-Leninist positions and taking a firm class stand.

With this perspective we have to rekindle the spirit of the *Great Debate* highlighting the basic ideological-political positions associated with Naxalbari. "Marxism - Leninism is a science, and science fears no debate. Anything which fears debate is no science. The present great debate in the international communist movement is impelling communists, revolutionaries and revolutionary people in all countries to use their brains and ponder over problems concerning revolution in their own countries and the

world revolution in accordance with the fundamental theories of Marxism-Leninism. Through this great debate people will be able to distinguish between right and wrong, between real and sham Marxism - Leninism. Through this great debate all the revolutionary forces in the world will be mobilised, and all Marxist-Leninist will be tempered ideologically and politically and will be able to integrate Marxism-Leninism with concrete practice in their own countries in a more mature way. Thus Marxism-Leninism will undoubtedly be further enriched, developed and raised to new heights." It is based on this comment by CPC led by Mao during the great debate the communist revolutionaries in India led by Charu Majumdar launched a fierce struggle against all alien positions and paved the way for great Naxalbari uprising. Once again only based on this guideline the communist revolutionaries in India can carry forward the task of rebuilding the Party and completing NDR in our country. This present task will be made easier if we analyse the concrete struggles waged at theoretical level which led to Naxalbari and formation of the Party in late sixties.

Struggle Against International Revisionism

Naxalbari became historically significant because it paved the way for a total rupture with the revisionist past by taking firm positions in the great debate then going on within the ICM and paving the way for armed agrarian revolution. The split within CPI and formation of CPI (M) took place in 1964 at a time when Krushchov's phoney communism was exposed and when the revolutionary forces all over the world led by Mao had already drawn correct historical lessons from the degeneration of Soviet Union to capitalist path. During the development of ideological struggle within CPI against Dange's Krushchovite line, vast majority of the cadres and sympathisers had expected that the polarisation taking place within Indian communist movement shall lead to a proletarian revolutionary line and a Party guided by it. But contrary to these expectations the Seventh Congress of CPI (M) held in December 1964 refused to adopt Mao's proletarian revolutionary line. Instead, it adopted a centrist line criticising both Soviet and Chinese positions and in essence toeing Krushchovite revisionist line. As a result immediately following Seventh Congress communist revolutionaries all over India initiated a fierce ideological struggle within CPI (M).

It was spearheaded by Charu Majumdar through his historic *Eight Documents* of 1965-67 period.

It was the time when following the *Great Debate* against Soviet revisionism Mao Tsetung had initiated an uncompromising struggle against the capitalist roaders within CPC by developing the theory and practice of continuing class struggle under dictatorship of the proletariat during the Great Proletarian Cultural Revolution (GPCR). In this process Mao Tsetung developed Marxism-Leninism to a new stage. While focussing on exposing and overthrowing the headquarters of the capitalist roaders within CPC led by Liu Shaochi and Deng Tsiaoping, GPCR had its profound international significance. Continuing the analysis of Soviet experience of socialist construction under Stalin, during GPCR Mao initiated a process of developing the path of socialist construction to a new stage by rectifying many of the earlier shortcomings in Soviet Union and in all socialist countries including China who were emulating Soviet experience mechanically, while steadfastly upholding, defending and developing all basic Marxist-Leninist positions. Marxist-Leninist world view is dialectical and historical materialism. It constitutes the best weapon for understanding the world and transforming it. Combining the universal truth of Marxism-Leninism with the concrete practice of socialist transformation in China and developing the theory and practice of continuing class struggle under the dictatorship of the proletariat in the context of the modern revisionist offensive in the ICM by Krushchov clique and its cronies everywhere, Mao Tsetung developed Marxism - Leninism to a new stage—Marxism-Leninism-Mao Tsetung Thought. It became the theoretical basis guiding the thinking of communists everywhere.

During 1965-67 period Charu Majumdar repeatedly pointed out that only by firmly upholding Marxism-Leninism-Mao-Tsetung Thought and applying it to the concrete conditions in India the task of completing the New Democratic Revolution (NDR) can be fulfilled. It is this theoretical breakthrough drawing from the lessons of the ideological struggle within ICM and of the GPCR which gave a qualitative leap to Indian communist movement and led to Naxalbari struggle. This theoretical clarity led an uncompromising struggle against all manifestations revisionism and to an all-round revolutionary offensive. It in its turn led to the formation of CPI (ML) with Marxism-Leninism-Mao Tsetung Thought as its theoretical basis and to the 1970 Party Programme which in the main provided and continues to

provide a basically correct perspective to the NDR in India. In spite of the shortcomings during this period which along with the brutal suppression let loose by the enemy to severe setback to the movement, this theoretical clarity with regard to basic Marxist-Leninist positions was very much present even in the last writing of Charu Majumdar before his arrest and martyrdom—'People's interest is Party's interest.'

Due to his departure the rectification campaign he had planned could not be taken up. And drawing of correct lessons from the struggle against Lin Piaoism in early seventies and later against the unrepentant capitalist roaders led by Deng Hsiaoping was also seriously affected. What happened as a result is part of the history of the Marxist - Leninist movement in India.

Even after CPC under the leadership of Mao coming out severely against Lin Piaoism especially after its *Tenth Congress* in 1973 explaining the serious damage brought about by it to the continuation of GPCR and to the damage caused by it to the struggle by the socialist roaders against still entrenched capitalist roaders, quite a few sections in India dogmatically clinged to Lin Piaoism. This precipitated serious splits within the movement, prevented a purposeful rectification campaign, and caused serious damage to the movement. While no such forces exist anywhere else in the world, these sections now reduced to microscopic levels still dogmatically try to harm the movement from totally sectarian standpoints.

Again, after the departure of Mao in September 1976 when the capitalist roaders staged a coup, arrested and suppressed the socialist roaders, and transformed socialist China into a bourgeois state even putting forward the class collaborationist 'three world theory' as the general line of the world revolution, the inability to take firm Marxist-Leninist positions when confronted with serious challenges reduced most of the Marxist-Leninist organisations to apologists of Hua-Deng clique. They even hailed the revisionist Eleventh Congress of CPC which rejected the concrete lessons of GPCR. Though some of them later denounced Deng and accepted the fact that China has transformed to capitalist path, they still cling to the class-collaborationist three world theory. In almost all major international developments they as a result fail to take sharp Marxist-Leninist positions.

Only forces like CPI (ML) (Red Flag) who have taken firm positions against Lin Piaoism and its manifestations which

prevented the building up of a Bolshevised party in India and condemned the arrest of socialist roaders immediately after Mao's death right from the beginning, and could uphold the heritage of *Great Debate* and GPCR and uncompromisingly fought against all manifestations of revisionism. Only they could establish link with the revolutionary forces in other countries and launch solidarity campaigns supporting the struggling people everywhere. This became possible only because they could take lessons of firmly struggling against all alien trends without any compromise from Charu Majumdar and other revolutionaries. Thus inheriting, defending and developing Marxism Leninism-Mao Tsetung Thought was correctly projected as the corner stone for completing NDR in India. History has fully vindicated the consistent ideological - political positions taken by the genuine revolutionary forces against international revisionism during the last four decades and more. Naxalbari was and continues to be a guiding light in this historic struggle to the communist revolutionaries in India.

Characterisation Of Indian Bourgeoisie

As Mao repeatedly stressed, the successful completion of revolution in a country demands a scientific class analysis to ascertain who are the enemies and who are the friends of revolution. Lenin in his *Colonial Theses* presented to the *Second Congress of Communist International* (CI) itself had precisely pointed out that the stage of revolution in colonies, semi-colonies and dependencies as bourgeois democratic. But he pointed out that because of the experience of *October Revolution* and because of the character of bourgeoisie in these countries, they will not lead these revolutions. Instead only the working class, however weak it is, can lead it with imperialism and feudalism (or feudal survivals) as targets, the peasantry as the motive force and the national bourgeoisie both as a conditional ally (to the extent the latter, or a section of it, fought against imperialism) and a potential though secondary target (to the extent this bourgeoisie, or a section of it, compromised with imperialism).

Based on this CPI in its *Draft Platform Of Action, 1930*, declared that "an agrarian revolution against British capitalism and landlordism must be the basis for the revolutionary emancipation of India..... The greatest threat to the victory of the

British imperialism is the fact that masses of our people still harbour illusions about the National Congress, and have not realised that it represents a class organisation of the capitalists working against the fundamental interests of the toiling masses of our country. Again in its open letter to CPC in 1933, CPI said: "The birth and development of Indian bourgeoisie are more or not intertwined with those of British imperialism. The modern bourgeoisie in India has emerged from the Indian merchantile bourgeoisie who grew rich by participating in the trade with British merchants in the early decades of 19th century. The accumulation of capital in the hands of this class was the basis of the formation of Indian industries and the growth of Indian industrial capitalists --- The desire of the Indian bourgeoisie to obtain a substantial share in the exploitation of the country is the basis of its oppositional role against imperialism. On the other hand, its role as capitalists and its intimate relations with big land - owning and money - lending interests is the basis of its role of a counter - revolutionary force disorganising and sabotaging the revolutionary anti-imperialist struggle for independence."

In spite of this correct beginning, the CPI leadership failed to take an independent stand and play its vanguard role. On the contrary as the people's struggles against British colonial rule started intensifying it started vacillating and just prior to the transfer of power proclaimed its support to the partition of the country on communal lines and handing them over to Congress and Muslim League leaderships. In effect it was reduced to accomplices of these bourgeois - landlord parties. At the same time CPC with the same beginning proceeded under Mao's leadership to the characterisation of Chinese big bourgeoisie as comprador and played its vanguard role leading NDR to victory.

During this period Cominform's organ 'For Lasting Peace, For People's Democracy' upheld concrete application of Chinese path as the correct line for NDRs in Asian, African, Latin American countries. Though reflecting this analysis the Second Congress of CPI in 1948 took a position characterising the transfer of power as a conspiracy between British imperialism and its lackeys and called for armed overthrow of Congress government, soon it changed its line and adopted a revisionist position in its Third Congress in 1953. When Krushchov clique usurped power in Soviet Union and started its counter-revolutionary offensive with theories of 'peaceful transition to social-

ism', 'state of the whole people', and 'non-capitalist path of development' in 1956, a major section of CPI leadership was already ready to openly embrace them. They declared that Nehru is leading a government of predominantly national bourgeoisie who are taking India to socialism through non capitalist path of development. They depicted stage of revolution as National Democratic to be peacefully completed under Nehru government and those who follow him. This class-collaborationist line openly encouraged by Krushchov clique was challenged by major section of the ranks and file. But when the split took place and CPI(M) was born, instead of rejecting the Dangeist positions outright they took a centrist line. They depicted Indian big bourgeoisie as having dual character, partly collaborating with imperialism and partly independent. They opted for parliamentary path to peacefully complete *People's Democratic Revolution*. Alongwith this to hoodwink the masses they claimed to uphold *1951 Tactical Line* which had proclaimed that 'all methods adopted by people in their struggle are sacrosanct.'

Fighting against these right opportunist and centrist positions and applying Mao's scientific approach to class analysis to Indian conditions, communist revolutionaries from 1965 itself started pointing out that Indian bourgeoisie is comprador in character. Even the national bourgeois sections are linked to them through numerous bonds making them incapable of taking any patriotic positions in the present situation. National Congress in the pre-1947 as well as post 1947 periods was representing the interests of this class leading the country to imperialist clutches once again.

This was clearly stated in the 1970 Party Programme of CPI(ML) as follows: "During these years of sham independence the big comprador bureaucratic bourgeoisie and big landlord ruling classes have been serving their imperialist masters quite faithfully. These lackeys of imperialism while preserving the old British imperialist exploitation have also brought US imperialist and Soviet social imperialist exploiters to fleece our country. They have mortgaged our country to the imperialist powers....." Today when Rao government taking the policies pursued from the time of Nehru government to their natural culmination by totally mortgaging the country to IMF-World Bank-GATT conditionalities and MNCs' dictates the CPI-CPI(M) and similar opportunist positions stand totally exposed, and the CPI(ML) position is fully vindicated.

India A Neo-colony

The Bretton Woods Agreements put forward by US imperialism in 1944 launching IMF and World Bank and claiming domination of dollar was a clear proof of its intention to bring the then colonies and semi-colonies under various imperialist powers under its neo-colonial domination. These moves were well explained by CPC led by Mao in 1963 its document *Apologists of Neo-Colonialism* as follows: "After World War 2nd imperialists have certainly not given up colonialism, but have merely adopted a new form, neo-colonialism. An important characteristic of such neo-colonialism is that the imperialists have been forced to change their old style of direct colonial rule in some areas and to adopt a new style of colonial rule and exploitation by relying on the agents they have selected and trained. The imperialists headed by US enslave or control the colonial countries and countries which have already declared their independence by organising military blocks, establishing 'federations' or 'communities', and fostering puppet regimes. By means of economic 'aid' or other means they retain these countries as markets for their goods, sources of raw materials and outlets for their export of capital, plunder the riches and suck the blood of the people of these countries. Moreover they use UN as an important tool for interfering in the internal affairs of such countries and for subjecting them to military, economic and cultural aggression. When they are unable to continue their rule over these countries by "peaceful means", they engineer military coup d'etat, carry out subversion or even resort to direct armed intervention and aggression.

"The US is most energetic and cunning in promoting neo-colonialism. With this weapon US imperialists are trying hard to grab colonies and spheres of influence of other imperialists and to establish world domination. This neo-colonialism is a more pernicious and sinister form of colonialism."

Based on this analysis Charu Majumdar wrote in 1965: "The moribund imperialist forces who became convinced that they cannot continue their old methods of exploitation, modernised their form of exploitation. Giving dollar and establishing its domination they evolved a new form of exploitation. Neo-colonialism was initiated in this manner." If the existence

of a powerful socialist block of countries and national liberation movements in the forties and fifties prevented US imperialists from cherishing their dreams soon, the degeneration of socialist Soviet Union into a social-imperialist superpower created a new world situation in the sixties in which the two superpowers were contending and even colluding at times for neo-colonial world hegemony. It is in this context the 1970 Party Programme of CPI (ML) declared that "they (the ruling classes) have mortgaged our country to imperialist powers, mainly to US imperialists and Soviet social imperialists. With the weakening of the power of British imperialism the world over, the Indian ruling classes have now hired themselves out to US imperialism and Soviet social-imperialism. Thus instead of two mountains British imperialism and feudalism, the Indian people are now weighed down the four huge mountains namely imperialism headed by US imperialism, Soviet social imperialism, and feudalism and comprador bureaucratic capital. Thus India has turned into neo-colony of US imperialism and Soviet social imperialism." It added that the neo-colonial state is "preserving and perpetuating the semi-feudal, semi-colonial character of Indian society" and that "the basic task of the Indian revolution is to overthrow the rule of feudalism, comprador-bureaucratic capitalism, imperialism and social imperialism."

The CPI-CPI(M) like forces with their characterisation of Indian bourgeoisie as predominantly nationalist or having dual character; and even sections of the Marxist-Leninist movement who vulgarised the basic Naxalbari positions or were drawn to 'structuralist' or petty-bourgeois anarchist western theories like 'dependency theory' were continuously trying to ridicule and refute the correctness of the CPI(ML) position for the last two decades. But now with the disintegration of social-imperialist Soviet Union a phase of inter imperialist contradictions in which the two superpowers were contending and at times even colluding for world domination coming to an end the political-ideological positions of all these apologists of Neo-colonialism are exposed more than ever. A uni-polar like situation in which the inter-imperialist contradictions are sharpening with US imperialism trying to realise its *Pax-Americana* brand of *New World Order* on the one hand, and the allround neo-colonial plunder by the imperialist camp led by US imperialism has unprecedented-

edly intensified the contradiction between imperialism and the oppressed nations and people on the other hand has emerged. While these changes have not made any basic shift in the world situation, they have proved more than ever the correctness of the evaluation of the Naxalbari movement about the basic contradictions at the international level and in India, and about the allround intensification of the neo-colonial plunder as a result of which all the Asian-African-Latin American countries are reduced to neo-colonies.

The Question Of Armed Struggle And Proletarian Revolution

In its document *Proletarian Revolution and Krushchov's Revisionism* during *Great Debate* CPC stated: "The entire history of the working class movement tells us that the acknowledgment or non-acknowledgement of violent revolution as a universal law of proletarian revolution, of the necessity of smashing the old state machine, and of the necessity of replacing the dictatorship of the bourgeoisie by the dictatorship of the proletariat has always been the watershed between Marxism and all brands of opportunism and revisionism. between proletarian revolutionaries and all renegades from the proletariat. According to the basic teachings of Marxism-Leninism the key-questions in every revolution is that of state power. And the key-question in the proletarian revolution is that of seizure of state power and the smashing of bourgeois state machine by violence, the establishment of the dictatorship of the proletariat and the replacement of bourgeois state by proletarian state."

Marx and Engels repeatedly stressed that "working class cannot simply lay hold of the ready-made state machinery and wield it for its own purposes." Marxism has always proclaimed the inevitability of violent revolution as the reactionary classes never give up power voluntarily and that they are always the first to use violence to repress the revolutionary mass movement and to provoke civil war, thus placing armed struggle on the agenda. Lenin spoke of civil wars "without which not a single great revolution in history has yet been able to get along." It is impossible to even enter the transition stage from capitalism to communism-socialism-without smashing the state adopted to the rules of the bourgeoisie. And Mao added: "revolutions and revolu-

tionary wars are inevitable in class society and that without them it is impossible to accomplish any leap in social development and to overthrow the reactionary ruling classes and therefore impossible for the people to win political power. History of the ICM including the latest developments in all erstwhile socialist countries have repeatedly proved that in this era of imperialism and proletarian revolution, proletariat and its allies can capture political power and maintain it not only by arming themselves ideologically and politically, but also by getting always prepared to capture, defend and expand their political power to global level through armed struggle. It was this basic lesson which was refuted by CPI leadership when it inaugurated its revisionist pursuit in 1953 Third Congress. CPI (M) leadership also under the guise of upholding 1951 Tactical Line hoodwinked the masses and embraced parliamentarism and path of peaceful transition in 1964 itself. It was at this time Charu Majumdar and other communist revolutionaries vigorously struggled against this out and out revisionist position and established that only through protracted armed struggle NDR can accomplish victory.

Quoting Mao, the 1970 Party Programme stated: "The revolutionary war is the war of the masses; it can be waged only by mobilising the masses and relying on them." It declared that the path of India's liberation is the path of people's war. Evaluating the two decades of practice, overcoming initial shortcomings the genuine communist revolutionary sections are now moving ahead in establishing a correct relation between mass line and military line and in chalking out a tactical line conforming to the concrete conditions of India. While the historical experience and concrete ground realities have proved the correctness of the path of armed agrarian revolution put forward by CPI (ML), all the revisionist-opportunist sections who have embraced parliamentarism and the 'path of peaceful transformation', or those who have now found virtue in bourgeois democracy are all exposed as nothing but flunkys of imperialist camp.

The Politics Of New Democracy

The abandonment of the path of armed agrarian revolution by CPI leadership in the fifties betraying the heroic

Telengana and numerous other revolutionary struggles led by revolutionaries in different parts of the country had opened the floodgates of opportunism and CPI like any other bourgeois-landlord parliamentary party adopted most compromising positions to suit its election needs. Making a basic rupture with this revisionist position CPI (ML) in its 1970 Congress called on the Indian people to fear no sacrifices to complete the NDR so as to carry out the following major tasks: confiscation of all imperialist capital and liquidation of all imperialist debt; confiscation of all land belonging to landlords and its redistribution to landless and poor peasants, cancellation of all agricultural debts and allround improvement of agriculture; remove all inequalities suffered by women and guarantee equality of status to them; enforce better living conditions for all people and end unemployment; abolish caste system, remove all social inequalities and all discrimination on religious grounds; unify India based on recognition of the right of self determination to all nationalities; give equal status to all national languages; develop New Democratic culture in place of colonial and feudal culture: abolish present educational system and educational institutions and build up a new educational system and educational institutions consistent with the needs of People's Democratic India; exercise people's political power through revolutionary people's councils at all levels; form alliance with the international proletariat and oppressed nations of the world.

This programme for total revolutionary transformation of Indian society has clearly drawn the line of demarcating between revolution and counter-revolution. That is why the imperialist forces through their numerous 'voluntary' foreign funded agencies and by manufacturing reformist ideologies are trying to delink the various aspects of this New Democratic programme and present them in isolation. The fund movements for Protecting environment, to liberate women, to assist depressed castes, to expand literacy and even to help struggles of nationalities as if environmental destruction, women's suppression, caste system, illiteracy and national oppression are isolated questions unconnected with the imperialist-feudal system existing in this country. The degenerates from revolutionary ranks and petty-bourgeois intellectuals are recruited in large numbers to confuse, to maim and to lead astray the masses. The imperialist moves are serving as complimentary efforts to help their native lackeys, the

comprador - bureaucrat bourgeoisie and feudalists and their political representatives to safeguard the present social system and the Indian state machinery protecting it.

But what is happening all around us has exposed all the heinous moves of imperialists and their lackeys. In spite of environmentalist movements environment is getting polluted and destroyed at an increasing scale; in spite of women's liberation movements women are getting suppressed more and more; in spite of caste organisations proliferating casteist suppression is mounting; in spite of many movements advocating cause of different nationalities uneven development and national suppression are intensifying so on and so on. What do all these mean? Even while accepting whatever positive awareness created by these movements, and attempting to unite with positive elements among them through a process of political polarisation, has to be repeatedly stressed that so long as these movements do not identify the basic cause of these illnesses -- imperialism and its lackeys everywhere -- and work for overthrowing this anti-people system, they will succeed only in confusing and leading the people astray.

It is in this context the programme of NDR becomes all the more relevant. Naxalbari and the history of the country and Naxalbari movement during last quarter of a century has unmistakably proved that only through the realisation of a New Democratic Programme a revolutionary transformation can be materialised. And this is possible only by firmly upholding the basic tenets of revolutionary struggle put forward by Naxalbari and tirelessly pursuing the path of NDR in the days to come.

Class Struggle On The Theoretical Front

M. M. Somasekharan

The present victory of world imperialism in the practical field over Marxism and socialism inspires it to question the basic tenets of Marxism itself. As in the case of every other field, here also class struggle manifests itself, on the one hand as highly intensified and naked and on the other hand as highly complex and disguised. Whatever be the nature or the direction where this come from, each and every aspects of them ultimately converge their attacks in order to negate or weaken the historical role of proletariat and the proletarian dictatorship. What we want to deal with in this note are the bourgeois ideas presented themselves with the mask of Marxism and have become more dangerous as far as those within the revolutionary movement are concerned.

Now we are in the 25th year of Naxalbari struggle. As it was rightly pointed out by the Chinese Communist Party, Naxalbari was the spring thunder over Indian horizon. Not only it has opened a great and shining path for Indian Revolution in the practical front but led to serious and in depth polemics and examination and searches in the theoretical field also. Naxalbari was a spark which caused the prairie fire in the vast areas of India, not only in the sense of practical programme of struggle put forward by it, but also as a result of the eastern wind of the Great Proletarian Cultural Revolution of China blown against the background of the theoretical struggle being waged within the Indian communist movement for some time. Just like the futility of the theory which has no practice at all we have to understand the blindness of the practice devoid of theory. While we evaluate the experiences of the last 25 years, despite

the colourful pictures of the great sacrifices of the past we have to subject the experiences to a rigorous evaluation to ascertain how much we had carried forward the Indian Revolution in the fields of theory and practice. During late sixties, while the Naxalbari was being waged, Indian Marxist-Leninist Movement has engaged in deeper polemics and paid serious attention to build up a stable theoretical base upon which the revolutionary fortifications against revisionism and all other alien class thoughts was expected to be built. It has bestowed its attention on all aspects related to the development of the theoretical base of Indian Revolution like imperialism and its new faces, global revisionism and the struggles against it, the class character of Indian constitution and the historical experiences of Indian communist Movement etc: in that given world situations. The collected works of com Charu Mazumdar and the old issues of 'Liberation' are the testimonials to this theoretical efforts of that time. But the left sectarian tendencies, got strengthened within the movement immediately, have invariably influenced the above said theoretical efforts also. Even in the spring time of the movement, we can see vulgar formulations affected by the pests of sectarianism in the theoretical field and it had grown tremendously to engulf the movement in total and checked the new developments in the realm of revolutionary theory. The premises of the theoretical struggle waged within the communist movement in India for years, which, led to an immediate polarisation within it since the split in 1964 had set the background for facilitating the single spark of Naxalbari to spread as a prairie fire. But sectarianism which got strengthened and intoxicated in the upsurges of late sixties has pushed those theoretical struggles and efforts into the darkness of ignorance. This kind of evasive attitude towards the theoretical field was not only instrumental to the destructive repercussions on revolutionary theory, but has also served as fertile soil for bourgeois theoretical formulations among revolutionary groups and rank and file. The virulent influence of the western wind is getting strengthened upon many sections of Indian revolutionary movement which is already under the grip of pragmatism—which ultimately and definitely emerges from bourgeois class base—in the background of present world situation. The primary aim of this article is a limited one that is to highlight the above said fact.

During 1960s especially in the second half of that decade, it was widely propagated that the working class was no longer capable to lead the revolution and a new force comprising of youth and students had to shoulder that responsibility. Such a view with the inspiration it absorbed from the Cuban revolution, rose to the leadership of Spring Revolt of Paris and influenced revolutionary rank and file the world over significantly. It was with this view the Cultural Revolution of China and the Chinese Revolution itself were extensively broadcast through the Western media. The necessity of taking up of leadership by new forces in the context of the weaknesses of working class was widely discussed. Castro, Debrey, Franz Fannon, Cohen Bendit and others were praised as symbols of new revolution in revolution. Efforts even to read Mao along this line also were there in the West.

But just like all other petti bourgeois wishfulness this was also destined to end up as a tragedy in the hands of imperialism and bourgeoisie. The ideological influence unleashed by this line of thinking has served the imperialist interest by weakening the cohesion among the revolutionary rank and file, and leading revolutionary organisations to disintegration. Though these trends try to fulfill this task of leading revolutionaries astray even now, it has lost even the originators of the very idea itself. Indeed this line of thinking and its spokesmen has got assimilated the bourgeois line of thought. Now the bourgeoisie needs new weapons. By negating the leading role and tasks of the working class in revolution they try to weaken the historicity of revolution. During the later half of seventies and eighties feminism, environmentalism and various ethnic, national and caste chauvinisms have sprouted out as the instruments of petti-bourgeois lines of thought which grasped the spiritual call of the historical necessities of bourgeois class. By the end of eighties all these diverse lines have confluenced to a single stream of thought as a common voice against Marxism in the guise of of Marxism itself. As it was in the previous instances now also the main target of attack is the proletarian leadership and they aim to refuse or weaken the leading role of working class.

The concept of socialism put forward by Marx is scientific socialism based on historical materialism. In other words it

is an inevitable phase of historical development and not a wishful thinking or dream. It means that the scientific socialism is based on the laws of history. As far as Marxism is concerned this is not the case of socialism only. Marx and Engels have liberated history itself from the boastful sagas of heros and individuals, and put forward a concept of history which develops on the base comprising of production forces, production relations, modes of production, class and class struggles and with various phases distinguished by the above factors. It was on the base of such a concept of history, the working class, the most progressive class of history according to Marxism, was christened as the leader of the present day history.

In order to understand this thoroughly we have to know how Marxism looks upon various classes and sections of history. To determine the progressive character of different classes and their retrogressiveness and their role in the course of history, Marxism takes their relations with production processes of different modes of production into consideration and the torture and poverty to which that particular class is subjected to is not a criterion in this regard. It was this scientific approach of Marxism that led it to the conclusion that the determining and leading force of the present day history is the modern working class and not those aborigines pushed to the peripheries of history and subjected to heinous plunder, or the peasantry under the yoke of feudalism; or the oppressed dalit, or the tortured women. Nothing which weakens this basic approaches of historical materialism deserves no relevance in the name of Marxism.

Does this mean that Marxism undervalues the questions of torture and poverty ? Certainly not; on the other hand it affirms that the questions of poverty and torture can be determined and resolved only by approaching it in relation with the production process. Here Marxism attacks poverty and torture not superficially but in their fundamentals. It aims to destory not the results but the very causes themselves. Those who question the proletarian class approach of Marxism actually try to disintegrate the comprehensive approach of Marxism and to push it down to the level of bourgeois thought.

This may become instrumental to a doubt whether the above said approach lead to another kind of mechanical approach and narrow mindedness. There may be a question whether

such an approach is limiting Marxism and socialism to a private subject of the working class. Marx and Engels had made things clear so that it is quite unnecessary to raise such questions. The working class and the socialism realised under its leadership are basically different from all the classes which led revolutions and all the systems established through those revolutions in history. Bourgeois and proletarian classes are not two equal and mutually contending classes; instead they are different from the others qualitatively itself. Liberation of the working class is related with and leads to the liberation of all other classes and sections of the society, in effect with the liberation of the whole mankind. Definitely this is the question of grasping the mutual relationships of various factors of the society and of identifying the motive factor which leads and transform them forward.

The modern working class has the decisive role in the most extensive and modern production process of society and surpasses all the limitations of all other hither to existing classes of history and that is why it has become the determining force of contemporary history. Those who refuses to see the working class as what it is and tries to limit it within the frames of bourgeois class limitations practices not Marxism but bourgeois thought. Actually most of the varieties of liberal Marxism of nowadays which are only visually broad, emerges from this reductionist approach. It has become decisively important to expose and to strengthen the struggle against these bourgeois thoughts which try to occupy the centrestage clad in Marxian garments.

It has become a fashion to relay on feminism, nationality question, and the caste and ethnic approaches like Ambedkarism as a part of 'modernisation' of Marxism, in order to resolve the challenges and crises of Marxism. The spokesmen of these views treat Marxism as a stake on which all cows can be tied to irrespective of their reactionary characters. Knowingly or unknowingly they try to debase Marxism to the level of every other liberal bourgeois thought. As in the case of all previous instances, now also the basic challenge Marxism faces is that against the class approach of Marxism, alien positions are put forward whatever may be the forms they resorted to. For example some people say that Marxism has failed to resolve the national question in Russia and that indicates the failure of Marxism itself. Some other people say that Marxism has failed to resolve the questions with regard to ethnicity and women's liberation in Russia. But

these people refuse to see the fact that a bourgeois economy was being brought up in Russia for the last few decades and the present ethnic, national and anti - feminine problems are the inevitable consequences of the strengthening of bourgeois economy there. Instead of viewing these developments correctly they misinterpret the results as the cause and presenting the world upside down. This kind of problems of intelligensia which present themselves highly intelligent forms are intelligent only in one aspect. It is intelligent only in diverting the attention of the proletariat from its efforts to find out the answers to the basic questions, that is why the proletariat had to face a setback eventhough it is only temporary in the struggle between proletariat and bourgeoisie and how the revisionism transformed the proletarian dictatorship to bourgeois dictatorship.

Does this mean that Marxism has to negate the newly developed knowledge in the realm of science, historical studies, psychology, anthropology etc: Never. On the other hand we have to distinguish between the newly attained scientific knowledge of various spheres of studies and the ideological approaches broadcast by those of feminism, casteism, nationalism etc: That means the knowledge itself is to be liberated from the bourgeois partisan forms.

Lenin said about the logic of capital left for us by Marx. It is not correct to link various 'isms' mentioned above born and brought up on entirely different class ideological bases with Marxism mechanically, but we have to extend this logic towards knowledge, practices and concrete realities. This logic or the proletarian style of analysis or outlook gains new strength and depth through this and not by merging with bourgeois lines of thought.

III

Lastly, it will not be appropriate to conclude this article without mentioning the philosophical base of these new knowledge and movements which still maintain a mask of revolution and are able to influence upto an extent even a section of the revolutionary rank and file who try to keep themselves out of the main stream of revisionism. These views and theories come within a general stream of thought the factors of which are mutually opposing and are with contradictory standpoints which is

called by various names like Western Marxism, New Left and Frankfurt school etc: As the prominent spokesmen of these lines of thought agree openly these streams which separate theory from practice and brings up academic forms of Marxism except in name.

Marxism is the philosophy which gives much stress to the relationship between theory and practice and approaches the universe, nature and human being in its totality. But what these armchair scholars are doing is cutting short of this comprehensive philosophy to mere tools for academic specialisation like feminist Marxism, Eco Marxism etc: In this process the soul and essence of Marxism itself are lost. While we look at the modern European feminism, for example, we can see that such a movement was happened to emerge out of the struggles against the anti-feminine attitudes which have taken root among various New left groups. It was not born out of any ideological struggles within any creative movement. Even then this people see the most pure and real form of Marxism in the armchair deliberations of their predecessors; ie the "beautiful Marxism" which has not been made dirty with the least traces of working class, practice or by their sweat and blood.

Bourgeoisie ignores the mutual relationship among different branches of knowledge and its comprehensiveness just like he does in the case of mutual relationship within the society. He treats them as specialised branches which are separate and connectable according to his needs. This is one of the bases of bourgeois mechanical approach. While proletariat and Marxism treat them as different aspects of a single whole and stress in mutual relationship among them, the picture of universe drawn by bourgeois thought is that of a singular which is formed through the merger of these different. This shows the struggle in the realm of philosophy between 'one divides into two' and 'two merge in to one'.

Today, while Marxism faces serious challenges, we have to fight against all efforts to sell any kind of junk in the name of Marxism and to dangle any bourgeois epistemological residues on Marxism. This struggle can be led to its victorious end only with the most effective weapon of class struggle in the hands of proletarian dictatorship and proletarian leadership. ●

Who Can Qualify As A Genuine Communist?

Charu Majumdar

The criterion to become a communist is not only that he struggles against the exploiting class. Who is a genuine communist? A communist is one who can sacrifice himself for the people and one who does so without any desire for reward. There are only two ways: either that of self-sacrifice or that of self-preservation. There is no via-media. This is the spirit of Chairman Mao's call "Serve the people." You cannot love the people without serving them. And you can serve the people only by self-sacrifice. To become a genuine communist one should imbibe the spirit of self-sacrifice. To serve the people means to work without reward for the interests of people, for the interests of revolution. The process of uniting with the people goes along with this self-less work. Only through this process can we love the people and serve the people. It is through this process that revolutionaries are transformed. So revolution does not mean merely material benefits. The meaning of revolution is this transformation itself-transformation of experiences, ideals, and thought. Therefore it is wrong to think about the gains of revolution in terms of material benefits. The meaning of revolution is a through transformation of consciousness. The consciousness of serving the people is the consciousness inspired by self-sacrifice and the spirit of loving the people. Revolution is the transformation of the society and individual. That is why in 1927 itself the slogan of "Serve the people" was raised by Chairman Mao before the great Chinese people. For a long time they have embraced this slogan. So they could carry on the Great Proletarian Cultural Revolution. Moreover, because of this they have won over the hearts of the people of the world. We have a great lot to study from this slogan "Serve the people." ●

"Another hallmark distinguishing our Party from all other political parties is that we have very close ties with the broadest mass of the people. Our point of departure is to serve the people whole-heartedly and never for a moment divorce ourselves from the masses, to proceed in all cases from the interests of the people and not from one's self-interest or from the interests of a small group, and to identify our responsibility to the people with our responsibility to the leading organs of the party. Communists must be ready at all times to stand up for the truth, because truth is in the interests of the people; Communist must be ready at all times to correct their mistakes; because mistakes are against the interests of the people"

Mao Tsetung

India's Economic Crisis : Need Of A Historical Approach

Prof. P. J. James

INTRODUCTION

At present any enquiry into India's economic crisis quite logically becomes a critique of the package of policies pursued by the Government of India (GOI) in accordance with the guidelines of the International Monetary Fund-World Bank-GATT(IMF-WB-GATT) combine. Leaving apart official spokesmen and outright neoclassical theorists, a tendency is gaining strength even among academic circles to venemently criticise the manner in which the country is being dragged into the economic management by international economic institutions. However, a common feature of this approach to India's economic problems, which is shared by a wide spectrum of leftists and their sympathisers in the country, is to link them with the deviation from the Nehruvian model of development and planning, that has taken place since the eighties. (1) Of course, from the eighties onward, India's economic crises have assumed alarming proportions. But to characterise them as a new phenomenon and identify them with the recent policy deviations alone would be superficial and contrary to historical facts. Thus, this paper argues that the new dimension got to India's economic crisis is the logical consequence of the Nehruvian policy pursued since the beginning of planning in the fifties. It is also argued that the evolution of the so called import-substitution industrialisation (ISI) strategy and its gradual transformation into foreign market oriented or export-oriented-industrialisation (EOI) policies in India have been an integral part of the global reorganisation of international capital fol-

lowing 'decolonisation' in the post second world war period. Therefore, contemporary Indian economic problems are to be situated in this frame work of analysis.

International Economic Background Of Indian Economic Policies

As the second world war came to a close, confronted by a rising tide of national liberation struggles, the erstwhile colonial powers were compelled to transfer political power to colonies even while trying to continue their economic exploitation in new forms. This was also necessitated due to the formation of the world socialist system and its gradual development in to a decisive factor that challenged the capitalist powers monopoly over world resources and markets. As a result was a transformation in the form of export of capital to backward economies for which new devices were evolved. On the one hand the imperialist powers were forced to make a number of concessions while on the other, tried to limit and camouflage the intensified exploitation of 'newly-independent' countries. The export of capital mainly took three forms.

(a) Government to-government loans, grants and other bilateral assistance. This capital export, emphemistically called "aid" far from helping backward countries to overcome their economic backwardness was sent where it most accorded with the military and political interests of the imperialist powers. In the words of Walt Rostow, one of the pioneers of 'neoclassical growth theory'. 'The United States, by its economic aid programme, could contribute to achieving constructive results from that process in the form of a better world not only for the countries assisted but for the United States as well, a world in which the appeals of communism would be blunted" (2) Lion's share of the aid provided by donors, especially USA, being tied to specific projects assured a permanent market for the capital and finished products of the 'aid givers' inside the third world countries

(b) A second form of export of capital was through the development of transnational corporation (TNCs) and the consequent internationalisation of capital in close link with capitalist state machineries. Direct investments by TNCs

helped them to exercise complete control over enterprises and often whole industries in third world countries. Transnational capital intensively merged with local 'national' capital (both state and private) mainly through setting up "joint ventures" with a national facade so that the latter can be involved as a junior partner in exploiting and robbing the peoples of developing countries.

(c) Multilateral institutions for promoting "aid" and trade were designed by imperialist powers to influence and control international monetary, trade and development issues. International financial institutions like IMF and WB were established as lenders and guarantors of transnational industrial and banking operations through the Bretton Woods Agreement. By rejecting Keynes Plan the Bretton Woods Agreement codified the US predominance installing the dollar as the standard currency of the international payments system. USA emerged as the Supreme arbiter of IMF-WB combine by making the biggest contribution to these organisations and controlling their activities primarily toward the external economic expansion of US TNCs. The funds for the operation of these international financial institutions were raised in the international capital markets.

Foreign trade, which involved "non-equivalent" exchange with developing countries through perpetual deterioration of their export prices, was of great significance to developed capitalist countries. Consequent on the collapse of the colonial system, to preserve the domination over the markets of developing countries the GATT began its operation in 1947.

Another development of paramount importance was state intervention in the capitalist economy through budget and budgetary policies. The capitalist state attempted to soften the ferocity of the market logic by adopting, in the name of Keynesian prescriptions, same policies which actually emanated from the 'Socialist' critique of capitalism. The neo-Keynesian growth theories also attached much importance to the leading role of the state in economic development. In the so called "development economics" formulated by World Bank Experts, that got wide acceptance among official and academic circles, state policies were crucial.

This was a ubiquitous phenomenon during this period. For instance, the theoretical base of the Bombay Plan of 1944 (Tata-Birla Plan) prepared by leading Indian businessmen was the Keynesian theory of state regulation that upheld substantial state intervention to avoid capitalist recession. According to Rostow, "to a great extent the foundation for modern private industrial system has to be created through government initiative and effort in the beginning." (3)

It was in this global context that several 'newly independent' countries including India began to carve out an 'independent' development path.

India's Development Efforts

As Paul Baran has pointed out, by the time of decolonisation the Britishers had "systematically destroyed all the fibres and foundations of Indian Society." (4) Immediately after the transfer of power, ie, in 1948 one of the first acts of the GOI was to send a request to WB for sending a Mission to survey the Indian economy.(5) In the Industrial Policy Resolution, as well as in the 'Special Statement' brought out by Nehru government in 1948, foreign capital was assured that its existing bastions would not be assaulted. Further, amidst widespread protests from concerned Indian Citizens, to appease foreign capital, the GOI devalued its currency in the beginning of 1949. The first five year plan began under these circumstances clarified in its draft outline that foreign capital would act as a "catalytic agent" for domestic resource mobilisation and investments and that it would be made in essential sectors of the economy. Of the total foreign exchange assistance incorporated into the first plan outlay (which was almost 10% of the total plan outlay), 70% was from USA and 17% from WB. This was mainly spurred by the Chinese Revolution. As the Ford Foundation spokesman in India noted: "India is the key point in the entire East, and a country which we simply must learn to live with a whole lot more successfully than we are doing at present. If we lose India, as we lost China, we shall certainly lose South-East Asia with the repercussions running all the way through Africa....." (6) During the first plan the Ford Foundation began its operations in India with the establishment of several community Development Programmes. The IMF

team which visited India in 1953 fully appreciated the implementation machinery of the government. The government could not do anything against the Managing Agency System in industry or feudalism in agriculture. In 1953, nearly one-half of the net assets of the organised sectors of mining, trade and banking were owned or controlled by TNCs(7) while the WB had begun to control certain basic services and infrastructures including the development of railways.

Nehruvian Model: Import Substitution Industries Or 'Tariff Factories'

However, the real beginnings of Scientific economic development began with the second plan whose draft was prepared by some 30 economists from various countries including Soviet Union. The presence of a Socialist camp along with the rising tide of national liberation struggles and the all round euphoria created in the context of decolonisation process, etc. prompted several-developing countries to initiate 'independent' path of development by pursuing what is generally called as import-substitution industrialisation strategy. This was based on the assumption that necessary pre-conditions for overcoming considerable economic backwardness of newly-found states were existing. However, at another level, this strategy of development was evolved out of several constraints also. The most important was the lack of foreign exchange. The third world countries experienced an acute shortage of foreign exchange at a global level after the Korean war. On account of little industrial base, the foreign exchange needed for importing manufactured goods could be earned only through primary commodity exports to developed markets, but these exports were continually subject to violent swings in international markets controlled by TNCs which reduced export earnings. India was no exception to this general rule.

The Nehru- Mahalanobis model of ISI that was incorporated in to the Second Plan (in fact, a mixture of Krushchovian "non capitalist path of development", Bombay Plan, and neo-Keynesian growth theory) however could not itself liberate from the laws of motion of global capital. For according to WB these import-substituting industries were, in effect, "tariff factories" (8) where the most important form of investment was

foreign direct investment by TNCs. Taking advantage of the tariff walls erected in the name of protecting infant industries, TNCs penetrated in to the country and reaped huge profits. The so called inward looking or 'independent' development was transformed into 'dependent' industrialisation led by TNCs. ISI's dependence on global capital has to be explained in terms of the internal dynamics operating in the country. After examining the case of several countries including India, Joan Robinson opined: "The process of import-substitution naturally begins with commodities that offer the best prospects of profit, that is those which are bought by the wealthiest consumers".(9) In India the ISI responded to the existing class structure. Since 70% of the population was directly depending on agriculture, where feudal relations were still dominant, purchasing power of the masses could not be expanded without basically restructuring the class relations in agriculture. Thus ISI never meant production of mass consumption goods. Therefore the key and basic industries as well as infrastructural facilities built up by the public sector with "foreign aid" were used for the manufacture of durable consumer goods and luxury items catering to the "elite" by TNCs in "tariff factories". In India the upper strata of population, which was larger than total population of several third world countries, was sufficient to make a market for this. In short, the ISI which was suggested as a substitute for the lack of foreign exchange became the cause for acute foreign exchange crisis, on account of the increase in import of capital and technology, the drain of foreign exchange in the form of profits, royalties, dividends, interests, technical and management fees and in the form of payments needed for huge food imports. The results of Nehruvian inward looking industrialisation were (a) Limited, distorted and dependent industrialisation (b) greater starvation and misery for the majority of the people, (c) growing regional inequalities and feudal oppression, (d) large balance of payments deficits and (e) deepening external debt and resultant foreign domination.

Formation Of Aid India Consortium: Perennial Dependence Of India On International Capital

The Indian state was not capable of carrying out adequate resource mobilisation needed for achieving the plan targets, essential pre-condition of which was a restructuring

of production relations. In the context of an acute foreign exchange crisis in 1957-58, as part of its decision to exclusively depend on western "aid givers", the GOI sent a delegation to Washington which resulted in the establishment of the Aid-India Consortium in 1958 with WB as the Chairman, IMF and other international agencies specialising in aid and development, and various capitalist powers as members. (10) It became the apex monitoring agency entrusted with the task of controlling the overall inflow of foreign capital into India either through 'aid' or through direct investment. Minimizing India's manoeuvring capability in the global capital market, the consortium began to dictate India's economic priorities and policies.

Consortium formation raised the foreign component of India's second plan outlay to 30 %. Of the total foreign aid, USA contributed 55% while Soviet aid was only 5.4%. However, India's major heavy and key industries in the public sector were built up with aid from Soviet Union. It is estimated that more than 90 % of the total aid came from consortium members'. During this period, several "joint ventures" between Indian and transnational capital with foreign majority and minority participation came into being. If, between 1948 and 1958 (the year in which consortium was formed) the total number of foreign collaborations approved were 550 (ie, an average of 50 collaborations per annum), it rose to 150 in 1959 and 380 in 1960. (11) During the sixties the rate was 400 per annum. [A 1989 UN report ranked India first in respect of the number of foreign collaborations-both technical and financial agreed upon with TNCs. In 1989, the rate was 1000 collaboration agreements per annum.] From a position of zero external debt in 1951, the accumulated foreign debt of the country rose to Rs. 1073 crores in 1961. In a penetrating analysis Michael Kidron estimated that during 1948-61 the foreign investors as a whole had taken out of India's general currency reserves three times as much as they had directly contributed. (12) The WB-IMF imposed monetarism was visible even in the second plan itself in the form of a cut in the percentage of plan expenditure in social services. From 23% of total plan outlays in the first plan it declined to 18% in the second plan. This declining trend in expenditure on social services accelerated further in accordance with the added involvement of IMF-WB combine in the Indian Economy.

Along with the inauguration of the third five year plan in 1961, the GOI opened various Indian Investment Centres in major international capital markets, i.e. in New York, Dusseldorf, London and Tokyo which acted as liaison offices between TNCs and GOI in order to attract more foreign capital to India. No screening was there in allowing collaborations except the profit motive of TNCs as reflected in the innumerable collaborations permitted in the manufacture of paints, varnishes, soaps, cosmetics, toilet and beauty preparations. During the 20 year period between 1948 and 1968, the volume of foreign private capital in India increased more than six fold from Rs. 265 crores to Rs. 1543 crores. Objective conditions in India were such that a given volume of foreign capital could control national assets worth several times. According to the RBI Bulletin of June 1974, during 1960-64 over half number of TNCs, operating in India had 100% ownership in their sphere of activities. Meanwhile, India's external debt double within a span of five years, i.e. from Rs. 1073 crores in 1961 to Rs. 2341 crores in 1965. As can be imagined, the proportion of "foreign aid" in total plan expenditure was also larger. The share of external resources in third plan was almost one-third, i.e. out of the total plan outlay of Rs. 7500 crores, Rs. 2850 crores came from external sources. As a result of P.L. 480 imports, USA owned about one-fifty of the total Indian currency in circulation in the end of the fourth plan the proportion might have increased to one-third! All these were taking place under the cover of Nehru - Mahalanobis model of development.

Blind adherence to foreign technology at the cost of indigenous technology which has to be evolved overtime in response to domestic social needs created extreme dependence in this realm. The Ramaswami Mudaliar committee (13) appointed in Feb. 1966 to evaluate the scientific and technological capabilities of the country clearly stated that India was dependent on foreign countries in this regard. K. K. Subramanian's study relating to this period showed that in collaboration, the foreign management dominated the Indian business. (14) On account of the lack of an indigenous technological base, fixed capital investment required for creating a new job in the organised industrial sector was as high as Rs. 23,000 in the first plan, Rs. 27000 in the second plan and Rs. 39000 in the third plan. Compare this with Japan in 1955 where the fixed capital inve-

stment required for an additional job in the metal industry was about Rs. 6000, in the chemical industry Rs. 3000 and in the paper industry by Rs. 1500 (15)

Devaluation Of The Rupee In 1966

While the third plan had been dragging on its feet due to acute resource crunch, as a manifestation of India's growing dependence on "aid-givers" and their increasing capacity to influence Indian policy making, the WB sent a high - power mission to India in 1964-65 with a package of recommendations -import liberalisation, devaluation of the rupee, new agricultural strategy, etc. - for immediate action by GOI. The devaluation that followed in June 1966 was the consequence of growing integration of India with international market through the mechanism of "foreign aid". The then Deputy Chairman of the planning commission Asok Mehta's infamous statement, "devaluation will open Indian economy so that the womb of mother India will be impregnated by the dynamic foreign capital" (16), aptly reveals the development philosophy of Indian policy makers. Devaluation helped TNCs to drain out further more resources from India through 'non-equivalent' exchange, ie, pushing down export prices and raising import prices thereby deteriorating the terms of trade. Even in the ruling party, this one-shot devaluation of the rupee of such a magnitude (36.5%) was felt as a sudden shift of economic policies and an abject surrender before imperialist powers. The crisis in the ruling party made it difficult for GOI to implement the full package of policies as demanded by WB Mission and the consortium members led by USA were even prepared to suspend the entire aid package. Most probably under external pressure the GOI declared a plan holiday for three years from 1966 to 1969. Thus the much trumpeted self-reliant development itself came to an abrupt halt. India could revive the five year planning process only in 1969 after it got the green signal from WB and IMF and other members of the consortium who again displayed their willingness to "help" the Government. This follows a series of steps taken by Indira Gandhi Government culminating in the Foreign Investment Board of 1968 to expediate the entry of TNCs into India.

Global Reorganisation Of Industrial And Agricultural Production And The New Orientation In Indian Development

The major principles of international division of labour that continued even after decolonisation were evolved during the colonial era. However, in the sixties there was a basic transformation in technologies especially relating to transportation (containerisation air cargo), communications (especially telecommunication systems) and information and organisation (data processing systems). These new developments in technology rendered industrial location as well as the control of production increasingly less dependent on geographic distances. Along with this there was the development and refinement of a technology capable of decomposing production into multistages. It was possible to decompose complex production process into elementary units so that even unskilled labour could be easily trained to perform otherwise complex operations. This changed the conditions of capital expansion at a global level and the resultant industrial technological relationships gave rise to a new international division of labour. Steps were initiated by TNCs with the active support of international agencies like UNIDO to tap the almost inexhaustible supply of unemployed cheap labour in backward economies a labour force which owing to several centuries of backwardness feels itself compelled to sell its labour power for the lowest wages. It was in this context that an export-oriented industrialisation strategy that would insert the poor countries into the new international division of labour was advocated by WB experts and TNCs. The UNIDO even characterised EOI as a "step towards inter dependence between the rich and the poor countries, and a hopeful sign that MNCs and developing countries can work together for mutual benefits" (17). Consequently, third world rulers who were reluctant to undertake the tough tasks of domestic socio-economic change needed for inward looking policies began to tie their economies with the laws of motion of global capital and the reorganisation of industrial production by TNCs. In India, even while Indira Gandhi was revamping Nehruism through various anti-monopoly legislations, through the backdoor she was implementing the WB slogan of "export and develop" and by creating several enclaves of foreign capital called Free Trade Zones or Export Processing Zones with "extra-territorial" powers to TNCs where labo-

urers especially women, were condemned to work as slaves. In 1972 the GOI permitted to establish wholly owned subsidiaries of foreign companies giving them large number of special incentives. During this period, WB-IMF-TNC lobby in India carried on an aggressive campaign that if India was tied to foreign markets based on the strategy of EOI it would result in the easing of domestic and external tensions by removing unemployment, boosting export-earnings, easing trade deficits, eliminating the over-reliance on the export of few primary goods and ending balance to payments (BOP) crisis for ever.

In accordance with this EOI strategy, an agricultural strategy, better known in development literature as Green Revolution (GR) was also put forward for countries like India. Characterising the demand for a change in land relations as an unworkable strategy, the GR concentrated on the upper strata of the rural sector in already irrigated areas providing them with cheap credit to buy fertilisers, pesticides, high yielding seeds and farm machinery which are either imported from abroad or produced in India by TNCs. WB and other protagonists of this scheme spread an illusion that this would solve India's agrarian conflicts and chronic food deficits through the production of more food and other agricultural products. However as revealed by several studies(18) the major driving force behind GR was the collective interests of US oil magnates who were turning to fertiliser and pesticides production by the end of the fifties, US agro-industrial and agribusiness companies. As a modern writer has pointed out GR was "the most expensive of all choices with far reaching consequences" in India. (19)

Economic Indicators Related To The Masses

During the Nehruvian self-reliant path, poverty and unemployment were abysmal. The widely accepted estimate of poverty by Dandekar and Rath showed that the percentage of people below poverty line remained constant at 40% for rural and 50% for urban areas between 1956-57 and 1967-68. However the share of wages in National Income had been declining during the entire period of planning. For instance, according to the National Commission on labour the share of wages

in the value added for manufacturing industry between 1949 and 1964 declined from 53.5% to 36.5%! The decline in the share of wages in National Income was directly related to the decline in the output of wage-goods catering to the poorer sections. As a result, industries serving the masses were always lagging behind compared with the foreign funded import-intensive durable consumer goods industries serving the rich. Krishnaji (22) has pointed out that the real wages of agricultural labourers who constitute between 25% and 30% of the rural population have remained static between 1950-51 and 1968-69. Real wages of industrial workers actually declined as a result of planning. Taking 1951 as the base year, the highest index for 1939-71 period was 117.7 in 1940. The highest level attained during the planning period was 115.5 in 1961 while through out the period 1951-70 it was much below 1961 level. The problem of unemployment was also staggering. Unemployment at the end of the second plan was estimated to be about 7 million. Over the third plan period the labour force increased by 17 million and additional employment created was estimated at 14.5 million. On the basis of these rough estimates, the backlog of unemployment at the beginning of the fourth plan was about 10 million.

According to a study group of the Planning Commission, in the year 1972-73, 54% of the people in rural areas and 41% in urban areas were below poverty line. This has been based on the criterion that a meagre Rs. 21 per month at 1960-61 prices per person was necessary to supply the minimum diet to keep a man alive. The Rural Labour Enquiry has shown that in between 1964-65 and 1974-75 the number of days for which employment was available in rural areas has declined by 10% for men, 7.5% for women, and 5% for children. There was also substantial reduction in real income. In the case of Urban areas the number of people on the live registers in the employment exchanges has increased from 1.6 million in 1960 to 12.7 million in 1978. This is only an indication of rising incidence of joblessness among educated manpower in urban areas. Regarding the tens of millions of unemployed and partially employed rural people data are unavailable. Inequality among different sections of the people acquired new dimensions during this period. According to All India Debt and Investment Survey, between 1961 and 1971 in rural areas the percentage share in the total assets of the lowest 70% of the population declined from 2.5% in 1961 to 2.0% in 1971. On the other hand, the top 30% of the population owned 79% of the total assets in 1961 which increased to 81.9% in 1971. The

inequality in the ownership of land, the principal productive asset in India has been appalling even after 30 years of planning. A comparison between China and India would bring out the gravity of the situation. For example, a 1937 study of pre-liberation China estimated that the poorest 57.1% of rural Chinese house holds held 23.5% of the crop land, while the richest 2.6% owned 28.7%. But Indian situation is worse even today. According to 1981 census 74.5% of the cultivators own 26.3% of the cultivable land while the upper 2.4% of the land holders have 22.8% of the land. Since three decades of land reforms were behind this Indian record, the bigger land lords might have already divided their holdings in benami plots. Therefore, it may be stated that the 1981 data are an under estimate of the extend of inequality in land distribution.

It is estimated that 90% of the industries were small scale. The 1973-74 census of Small Scale Industries reported that more than 50% of the small scale industries registered with the Directorate of Industries was non-existent; they were false records incorporated by monopolies for appropriating the concessions of small scale industries. The remaining ones were ancillaries and sub-contractors of foreign and Indian monopolies. Almost all the technology-intensive industries were entirely controlled by TNCs. Inspite of the Patents Act, more than 80% of the patents granted were acquired by TNCs. The entire technology channels and trading related to GR were in the hands of TNCs. Specimens of truly Indian technology were very rare. Even though thousands of crores of rupee have been spent in the name of public sector in major steel plants, petrochemical products, etc. no effort was made to develop research and design bureaus. The total neglect of R & D made it impossible to ensure a steady stream of new plants based on indigenous knowhow. Quite outrageous was the situation in the case of drug industry as pointed out by Hathi Committee on Drugs and Pharmaceuticals Industry in India.

All the trends listed above continued unabatedly in the eighties.

India On The Threshold Of Being Sucked Into Debt Trap

During the seventies, India's case was the paradoxical consequence of the attempt to transfer technology and develop-

ment from abroad with in the framework of global capital movements. The TNCs were extracting surplus from India rather than transferring capital to her. When out flows of resources through remittances of profits, dividends, management fees and royalties mounted in relation to inflows of resources through foreign private investment and other long-term private capital flows, India had several drawings from IMF and other agencies which were of "routine" type. To tide over the acute foreign exchange crisis Aid India Consortium even provided India with debt relief on an average of 100 million dollar a year for the four years from 1968-69 to 1971-72. According to available information, in 1976-77 the debt relief was as high as 160 million dollar. However, these occasional "window dressings" could not prevent the impending crisis that flow out of the dynamics of international debt.

During the 70s direct economic assistance from US apparently declined mainly due to the decline in PL-480/665 components in foreign aid. However, this was compensated by a rise in the aid from WB and its affiliate IDA which was "disguised assistance" from USA. This increased role of the WB in the Indian Economy was in accordance with the Pearson Commission Report (21) in 1969 which recommended an active role on the part of WB "in view of India's growing need for more external resources at a rate much higher than previously available". The Pearson Report while underlined the dangers to US and its allies of aid reduction warned India to establish "proper credit worthiness by providing security to foreign investment and removal of disincentives to domestic private investment". By the end of the seventies the WB has been involved in all essential sectors of the Indian economy from infrastructures to industry and from agriculture to population through its "sectoral" lending programmes. Since the massive loans tied to specific project channelled into the various sectors of the economy have been raised by the WB in the international capital markets, it accelerated the penetration of various TNCs with their products and technology into India. As noted by the Committee on banking, Finance, and Urban Affairs, House of Representatives, Washington D. C. in 1978, "the world bank and regional development banks (Inter-American Development Bank, Asian Development Bank, etc.) encourage growth which increases the demand for US export, which in turn generates US employment" (22). When the seventies came to a close, India, which had been cons-

istently complying with the W B strategy of development was on the verge of a debt trap. By the end of 1979, India was the biggest aid-recipient from the W B group which amounted to 9 billion dollars. No doubt, the W B pushed India or rather India was sucked into the I M F debt trap in the beginning of eighties itself.

I M F Loan Of 1981 And Developments In The Eighties

Following the usual tradition of keeping a posture of selfreliance the GOI in its draft outline of the Fourth Five Year Plan had declared that India would reach the goal of 'zer-net foreign aid' in 1981. Ironically 1981 turned out to be the year in which India was sucked into the IMF debt trap.

Contrary to what the traditional leftist critics have argued India's loan agreement of SDR 5 billion with IMF in 1981 was not the inauguration of a new crisis but the culmination of a long drawn out process assuming a new dimension. This loan under the Extended Fund Facility of IMF accompanied by stringent conditionalities or 'Commandments' was a landmark in the sense that it was tantamount to a declaration by Aid India Consortium and other global aid givers that India has succumbed to an irretrievable debt trap which could not be solved by any superficial "window dressings". The loan became conspicuous since before it was agreed upon the IMF-WB combine ensured the required profitability the transnational capital through its conditionalities (Fund-Bank operations are always cross conditioned (23)) in all the internal and external sectors of the economy such as monetary and fiscal policies, internal resource mobilisation, industry, agriculture, and services, foreign investment, foreign trade, external borrowing, exchange rate management, etc. According to the "IMF Memorandum, 1981"(24) this assumed the concrete form of a liberalised import regime with liberal import of capital and technology including relaxation in foreign collaboration and royalty payments, tax relief and subsidies to all kinds of exporters, replacement of direct taxes by regressive indirect taxes, discouraging public distribution system and encouragement of open market policies even regarding food, wage and necessary trade union law amendments including new anti-strike laws, and all round encouragement to private sector with respect to investment and production. The

essence of these policies was an 'import-pushed export-oriented growth strategy' for the debtor country as devised by IMF-WB experts. In the words of an Indian bureaucrat: "The IMF World Bank Programme of Assistance to developing countries in the 1980s have routinely included import liberalisation as test of good performance"(27). It also implies a squeezing of the masses by curtailing domestic consumption and investment (ie. through a reduction in absorption as in academic economic theory) and channelling the available resources to the external sector of the economy to be processed and exported to foreign markets as debt service obligations. Meanwhile TNCs and multinational banks penetrated into India and carried on an intensified plunder of the country's resources and labour.

The GOI under Indira Gandhi earnestly began implementing these policies through the Union Budget for 1983-84, along with the incorporation of anti-labour black laws such as ESMA amendments to MRTP, FERA, etc into the statute books. The New Economic Policy of Rajiv Gandhi inaugurated an era of liberalisation and privatisation characteristic of "IMF-WB recipe for neocolonies". The India Growth Fund in USA and India Fund in UK opened by Rajiv regime in 1986 and the Yanki Fund in USA and Samurai Fund in Japan created by V.P. Singh government in 1990 to attract TNCs were in fact a logical continuation of the Indian Investment Centres of Nehru government in 1961 and the Foreign Investment Board of Indira Government in 1968. The triennial "exim policies of 1985, 1988, and 1990 enacted and implemented by Rajiv and Singh governments led India further in the direction of fully integrating with global markets. Without going into the details of liberal policies pursued in the eighties, self evident remarks from official protagonists of these policies are sufficient to grasp their real orientation. For example, the Abid Hussain Committee commented in 1984. "An unlimited and continuous access to imports of technology would mean that tomorrow never comes for the indigenous development of technology"(28). Views of indigenous Indian firms were echoed by UNCTAD thus', "Foreign collaboration is tantamount to mortgaging the innovative ability of Indian producers"(29) while Sam Pitroda, an admirer of liberalisation policies, noted, "It was shameful that India could not develop a telephone instrument after 37 years of independence and kept importing technology"(30). In the eighties, Nehruvian slogans like "import substitution", "self-reliance", etc. And public

postures like Industrial Policy of 1956, MRTP, FERA, Patent Act, etc have become quite archaic. No doubt, India was steadily dragged into the debt trap even while these laws were there. Therefore the dilution or the removal of these laws from the Statute Book do not make any fundamental change in the class relations in India. In short, the difference between the eighties and the decades prior to it is only of degree and not of kind.

A notable feature of the eighties has been a change in the composition of WB group lending to India, though the latter remained as the biggest borrower from WB. This was mainly due to a rapid reduction in the so-called 'Official' concessional assistance or soft loans particularly from the soft loan window of WB affiliate IDA. In respect of concessional aid, China (China's integration with the international division of labour began in the late 1970s) surpassed India during this period. For example, in the year ending June 30, 1991, China received from IDA 977.8 million dollars as against 937.4 million dollars for India (29). Thus the direct entry of IMF in 1981 as a mediator and guarantor of international capital had the effect of India borrowing huge commercial loans at exorbitant rates from various multinational banks. In 1980 nearly 90% of India's outstanding debt was to official sources and 85% of it was on concessional terms. By 1989, however, the picture had changed dramatically and official loans accounted for 61% of the total outstanding debt, and the proportion of concessional terms had fallen to 47%. All these was manifested in a massive net outflow of resources from the country. The latest Economic Survey is compelled to admit this fact when it says. 'An unprecedented outflow of funds from India during 1990-91 to international commercial lenders has been a major factor fuelling the current external payment crisis'(30). Ofcourse the Economic Survey cannot say anything about legal and the illegal outflow of resources from India in the 80s worth hundreds of thousands of crores rupees. The Lok Sabha debates of July 1991 (31) revealed a partial picture of this gruesome phenomenon. According to this during the period 1982-91 alone the illegal outflow of wealth from India carried out by the so-called Indians themselves amounted to 51.3 billion dollars (equal to Rs. 133000 crores according to post-devaluation exchange rate). More than 80% of this was in the form of gold smuggling while the remaining through export under-invoicing and import-over-invoicing. However, this figure does not include the thousands of crores worth of

resources transferred to foreign multinational banks in the form of 'commissions' and bribe. In spite of these, the World Development Report of 1991 eulogised India for its "impressive growth" in the eighties for obvious reasons.

What Was The Class Content Of This "Impressive Growth"?

A look at some of the general economic indicators will reveal the true nature of this development. On the basis of several studies, it may safely be stated that budget deficit for the seventh plan was more than Rs. 30000 crores. According to RBI report, trade deficit that stood at Rs. 6211 crores in 1980-81 rose to Rs. 15600 crores in 1990-91. Inflation that remained at the level of 5% in 1984-85 has risen to almost 15% in March '91. During the same period, administered prices of steel and cement rose by about 300%. Price of petrol has been a global record throughout. In the year 1990 itself, the wholesale prices of wheat and rice showed an increase of 49% and 13% respectively. Retail price hikes are larger. On account of continuous depreciation enforced by the IMF-WB combine and the consequent "mini devaluations" carried out by GOI there has been a cumulative erosion in the external value of the rupee in the eighties so that the exchange rate which stood at 1 dollar=Rs.8 in 1981 became 1 dollar=Rs.21 by mid-1991. When Rajiv came to power India was the 7th most indebted country in the third world and its position has sharply worsened since then placing it as the third highest indebted country as of March 1991, after Brazil and Mexico. India's external debt rose from Rs.20000 crores in 1981 to Rs.150000 crores in March 1991 (70 billion, according to latest World Debt Tables). More than 2 lakh factories were closed and several lakh workers were thrown to streets during this period. The governmental pledge in 1985-86, while inaugurating the seventh plan, that over the five year plan period 40 million new employment opportunities would be created remained only in paper as the plan came to a close. By this time another 39 million new entrants were there in the labour market even according to official statistics. In short, unemployment had doubled during the 7th plan period. Regarding the vast millions of unemployed and under employed rural people statistics are unavailable. Less than 20 million children below the age of 14 are working under sub-human conditions in various parts of India. Infant mortality

rate is also the highest in India, 150 per thousand. Same is the case with evil of illiteracy. More than 55% of the total illiterates in the world live in India. Even after four decades of planning feudal relation in land prevail in most parts of India. In spite of the much publicised Green Revolution per capital consumption of food grains is still at the level prevailing in the fifties. In fact the officially estimated 400 million poor people of India (actual figure may be much higher) exceed the total population of Sub-Saharan Africa. While the 'national' press vociferously supported the IMF-led liberalisation policies in India, the vast-majority of the population including dalits and tribals remained on the periphery of this development strategy. To be precise, the solution to debt crisis and backwardness in the 80s became the cause for further indebtedness and poverty.

Recent IMF Loan And Related Developments

As the eighties came to a close, the various trends relating to poverty, unemployment, inequality among people as well as regions, inflation, black money generation, budget, balance of payments deficit, external and internal debts, etc, have assumed an irreversible dimension and Indian economy was entering to a Polish or Latin American style stagflation characterised by hyper inflation on the one hand, and contraction of income, employment and consumption on the other. In the context of acute resource crunch, especially relating to the external sector of the economy, the GOI was forced to give a further thrust to this stagflation through the two years of planlessness since the end of the seventh plan. During this period, though successive governments of V. P. Singh, and Chandrashekar were trying their level best to secure an "IMF seal of good house-keeping" that would restore credit lines with transnational banking system which was reluctant to lend further in view of India's "downgraded credit rating", it was the Narasimha Rao Government that 'succeeded' in "crossing the bridge". On the basis of a solemn undertaking, characteristic of highly indebted Latin American and Sub-Saharan countries, given to IMF-WB combine that it would enforce "the harsh but indispensable discipline in return for support from world community" including of course, "a credible reduction in the fiscal deficit to reduce inflation and appropriate exchange rate to reduce the balance

of payments deficit" (as outlined in this years World Development Report), the Rao government earnestly began to implement the IMF "medicine" the moment it came to power. Since there has been a flood of literature regarding the IMF - WB "Shock therapy"-the "stabilisation" and "adjustment" programmes-and as our own book "Nehru to Rao :India's plunge to the Debt Trap" (32) also deals with the class content of these policies, here we are not going in to the details of each of them. The IMF "Macro economic structural" and the WB "micro economic sectoral" adjustment programmes applied in more than 70 debtor countries including India as a quid proquo for quick disbursing balance of payments (BOP) adjustment loans have the same features. The various policies like devaluation, curtailment of government expenditure, market liberalisation through elimination of subsidies and price controls, liberalisation of trade, liberalisation of banking system,privatisation of agriculture, privatisation of state enterprises and social programmes, restructuring tax system,wage freeze etc aim at shifting resources from domestic sector to the external sector by curtailing consumption and investment as already noted. Thus the essence of these programmes is a further squeeze of the people in the name of replenishing foreign exchange reserves. Even Galbraith, an admirer of the capitalist system is compelled to sum up the Fund-Bank therapy thus: "What has been called shock therapy is politically acceptable only to those not experiencing, it, in consequence....liberalization.... is being associated with painful economic deprivation and hardship" (33). In brief, the Fund-Bank prescriptions are a blatant violation of the basic promise of accepted economic theory. The adjustments being forced on indebted countries are part of an overall effort to create a "new world order" of deregulated global capitalism based on a reversion to neoclassical theory of competition. The 'Bretton Woods Twins' are the watch dogs of this 'new world order'. Corroborating Cheryl Payer who characterised IMF as "the chosen instrument for imposing imperialaist discipline upon poor countries (34) with documented evidences, while addressing the combined annual meeting of the IMF-WB combine in 1990, George Bush the current patron of 'Pax Americana' and 'new world order' made revealing statement: "The political leadership of the UN must be matched by the economic leadership of the IMF and the World Bank"(35) Current Fund-Bank management of the Indian economy is also part of this global mission entrusted with them.

Recent Trends

During the first six months of its existence, the Rao government has accomplished a first wave of fiscal, monetary, trade, industrial and exchange rate policies having far reaching consequences. Through their offices in Delhi the WB and IMF are having a close watch on the day-to-day functioning of the Indian economy. On the basis of the basic policy guidelines, the government has already prepared detailed reports on the restructuring various sectors of the economy such as banking system and financial institutions, tax system, public distribution system, licensing system, stock market, public enterprises, intellectual property rights, etc. to be closely scrutinised by the Fund-Bank experts so that even "pro-reform" media are compelled to comment: "The ideological hold of the International Monetary Fund and the World Bank over the government now seems complete". (36) They complain that all these are done without even informing the cabinet or parliament. Along with these steps, the government has been pouring more and more fuel on the fire of inflation by steeply hoisting the administered prices of all kinds of food and fuel items. The cascading effect of all these will have a further squeeze on the people in addition to the credit squeeze and wage freeze that have been already operating.

According to available information the disinvestment of public sector units (ie, privatisation) may go up to 50% as against the present decision of disinvestment up to 20 % (37). Similarly, denationalisation of domestic industry ie, control passing from resident to foreign capitalists on a scale comparable with that in Mexico and Brazil is going to happen in India in the coming days as the government is committed to remove the remaining "10 percent restrictions" also. As the IMF steam roller moves further, hundreds of thousands of workers will be rendered jobless. In the agricultural sector, impoverishment of small farmers will be a regular feature. With the capitulation to GATT, the entire service sector, trade related investment and intellectual property sectors and agriculture will be hijacked by TNCs. The service sector, if the present trend continues, will subordinate the other sectors of material production. Unemployment and mass poverty will assume gigantic proportions. The country will be in a process of perpetual drain through 'unequal' trade and servicing of the huge external debt which has crossed the Rs. 2 lakh crore mark. All these trends will take definite form in

the coming days especially with the presentation of the coming budget. According to a report in the Indian Express on January 5, 1992 transnational banking sources are of the opinion that "the budget for 1991-92 could not reflect Dr. Manmohan Singh's policy measures as he did not have the sufficient time after assuming office. The coming budget will demonstrate the government's sincerity in implementing the economic reforms". Thus after effectively trapping in the combined conditionalities of the IMF-WB-GATT arrangement global capital is dictating terms on India with an ideological fanaticism. Anyhow, the worst is on the anvil.

West Bengal Government's Alternative Policy Approach: Certain Comments

On July 4, 1991 the West Bengal government under Jyoti Basu released a document entitled "Note on an Alternative Policy Approach to Resolve the Balance of payments crisis" (38) with the backing of a wide spectrum of leftist economists in the country. Here we are going to have only a few observations on this 'alternative approach' (39). The essence of this alternative approach was "an increase in income tax, better enforcement of the collection from existing taxes, including arrears, unearthing of black money, selective non-priority ends in non-plan expenditure of almost all the Ministers", "new possibilities of realignment in the centre-state relations towards more decentralisation", "comprehensive import curtailment" and "a strong appeal towards the NRIs", etc. It may be stated that the West Bengal governments suggestion of "strengthening resource mobilisation" through these methods had been consistently espoused by the Indian State since the beginning of planning process itself. The response of C. P. Thakur, the official spokesman of the ruling party, towards this alternative approach is quite revealing. "Mr. Basu's initiative in suggesting a strong appeal to the NRIs to come to India's rescue, better enforcement of collection of taxes, measures to deal with black money and cut in non-plan expenditures were all coming from a political leader who has his ears to the ground." (40) As is evident, tax evasion, black money, increase in direct taxes,

etc. are inherent in the class character of the Indian State and the government cannot move an inch forward in this direction solving this for resource mobilisation. This way of making suggestions is superficial as well as separating politics from economics.

Dataching politics from economics is more evident in the suggestion for making "a strong appeal towards NRIs so that the NRI-Capital flow can be favourably reversed". Recently, the NRI factor has become a prominent feature of the Indian scene. Reports of various commission and corruption 'Scandals' in the country have shown that the so called NRI assets running into hundreds of billions of dollars are being accumulated abroad by siphoning off funds from this country. Despite their so called Indian origin, in their dealings with India the activities of NRIs are similar to TNCs. In fact NRI is a safe Indian label currently in use by international capital. In brief the West Bengal Governments' approach of differentiating NRIs or TNCs from IMF-WB combine and characterising the former as good and latter as the source of evil is too simplistic that cannot comprehend the complexities involved in the operation of transnational capital. India's adoption of Fund-Bank package is conditional for getting not only loans from IMF but also for aid and investment by TNCs in various forms. West Bengal Governments' alternative approach may be compared with Nitish Sen Gupta's (who is secretary of the planning commission) suggestion of considering tourism industry as an alternative to IMF loan. He opines: "May be tourism alone can help us in overcoming the present balance of payments crisis and we need not have to go to IMF" (41)

Conclusion

The current economic crisis of India has yielded an unending stream of news, articles and books on Indian Economy. None of these discussions has a historical approach to the problem. Superficial approach of main stream left that characterises the new policies as a deviation from the hither to followed development pattern makes its criticism more

apparent than real. On the other hand, as this paper has drawn out, the recent developments including the irredeemable debt trap, are a logical corollary of the very same development policies in vogue right from the time of transfer of power in 1947. As shown, India's development strategy evolved and proceeded right along the track chartered by international capital that assumed new forms of operation in the post second world war era. This has been in the context of a new colonisation, accomplished by global capital, using the instruments of IMF-WB-GATT, TNCs and a host of other international institutions in close link with developed capitalist states, at an international level. As a result, more than 80% of the mankind living in the "new colonics" of Asia, Africa and Latin America is now under the subjugation of an international debt crisis. Unequal trade, debt servicing and other outflows of resources to global market are squeezing these people. In the context of the set back suffered by leftist forces at a global level, the agents of global capital are further intensifying their plunder over the third world through a further refinement of the "free-trade doctrine" that had historically served the interests of strongest capitalist powers. A correct historical understanding of these developments is indispensable to overcome this horrendous situation. In this context, to end, a quotation from Marx which is relevant even today would be apt: "If the free traders cannot understand how one nation can grow rich at the expense of another, we need not wonder, since these same gentlemen also refuse to understand how within one country one class can enrich itself at the expense of another"(42)



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14th Congress Of CPI(M): An Evaluation

Jayakumar

As an introduction to this evaluation of the 14th Congress of CPI (M) it is necessary to point out some aspects of CPI (M)'s formation and about the ideological struggle which took place during this period and later about international and Indian developments. Fierce ideological struggle had taken place within almost all communist parties at global level against the revisionist forces which had emerged inside the international communist movement (ICM) during late fifties and in sixties. CPI (M) was formed during this period following the struggle within CPI and consequent split in 1964. But as CPI (M) leadership persisted in taking a centrist line and in essence embracing Krushchovian revisionism, a fierce ideological struggle surfaced within it leading to the formation of CPI (ML) similar to the formation of Marxist-Leninist parties in many countries. But due to the shortcomings in comprehensively evaluating the great changes taking place at international level the Marxist - Leninist movement faced serious challenges. Especially when revisionists usurped power in China also after the death of Mao Tsetung many these of parties failed in facing this new challenge and in developing class struggle according to the changed situation. As a result the ongoing struggle against Krushchovian revisionism taking place under the leadership of CPC faced a serious setback from mid-seventies. Presently as a result of the serious efforts made by revolutionary forces including CPI(ML) (Red Flag) to find out the negative trends which had come up within the Marxist-Leninist movement and to rectify them, these organisations and consequently the ICM is slowly getting strengthened. At the same time CPI (M) and similar revisionist forces are facing a serious crisis today. In its Burdwan plenum of

1968 CPI (M) took a centrist stand and following this fully deviated to the revisionist positions of CPSU leadership. Following this in the last two decades and more it has made many revisions and changes in its basic positions. Even then they were always claiming that they are following an independent line. During late sixties and early seventies as a result of the centrist positions it was taking towards international questions it had relations only with Ceceescu's Romanian leadership. As a party with a sizable membership the positions taken by CPI (M) leadership had evoked curiosity among many liberal sections. But very soon it was exposed that the content of their centrist position on international questions was revisionism, and that their attributing a dual character to Indian bourgeoisie actually reflected their rightist politics. Abandoning agrarian revolution CPI (M) leadership's ambitions were reduced to remaining as an influential bourgeois Parliament party in two or three states. They wanted to come to power and cling to power in these states. But the developments in East European countries and later Soviet Union itself compelled them to take a position about them.

These developments have made their old style balancing acts impossible. The only alternatives before revisionist organisations like CPI (M) today are either to reject totally all their Marxist-Leninist pretensions and transform themselves to social democratic parties, or to rally in the anti-imperialist path upholding Marxism-Leninism-Mao Tsetung Thought. It is now impossible for CPI (M) and arch-revisionists like them to continue their old practice of upholding Soviet Union as a socialist country and leader of socialist camp, following blindly the line of CPSU and putting on the mask of Marxism. The exercises in their 14th Congress held at Madras in January beginning especially in their 'resolution on some ideological questions' are efforts to extricate themselves from this difficult condition.

But this ideological document has totally failed in taking a scientific position about many questions like capitalist restoration in the former socialist countries during the last decades, developing class struggle in the socialist countries, about the contributions of CPC in this including those of GPCR, about the stage and path of revolution in third world countries etc. CPI (M) leadership was compelled to openly accept the capitalist restoration in Soviet Union under the pressure of circumstances. They are making some pitiable efforts in this document to justify their past mistake about ruling out all possibilities of capita-

ist restoration in socialist countries. They are trying to justify their mistakes by claiming that they occurred due to following the stand of the international conferences of communist and workers parties held at Moscow in 1957 and 1960. The document evaluates that because of this they failed in estimating the balance of forces between imperialism and socialist forces.

But even while making such evaluations the document does not accept the reality that the main reason for past mistakes was in determining the principal contradiction at the international level. CPI (M) is still following the position of revisionists from Krushchov to Gorbachov with regard to principal contradiction. The contradiction in recognising the possibility of capitalist restoration now and at the same time pursuing arch-revisionist positions put forward by modern revisionists reflects their ideological confusion. It is reported that vast majority of the delegates to the 14th Congress refuse to accept the leadership's justification that the source of the mistakes was clinging to the positions put forward by the international conferences. It is also reported that even the confession by the representative of the central committee (CC) that "we could not understand what was taking place in Soviet Union, we will be more careful in future" did not satisfy the delegates. The document had not taken positions about many serious ideological questions. As such finally CC representative requested the delegates to accept it as a "resolution on some ideological questions". The discussions on the ideological resolution indicate that there are possibilities for CPI(M) rejecting basic positions like dictatorship of the proletariat upheld till now to cheat cadres and people, and embracing open social democratic positions in the special conference going to be held soon. In this way we can see many similarities between this 14th Congress of CPI (M) and 27th Congress of now defunct CPSU.

Organisational questions

The 14th Congress held at a time when CPI (M) was facing serious problems at organisational level. But in this Congress no attempt was made like in the Salkia Plenum to try to resolve these problems by finding out their political reasons. This is evident when we examine the reports of discussions and Congress documents. Salkia Plenum was held by CPI (M) in 1978 when following the great Naxalbari struggle and formation of CPI (ML), in north Indian states as well as in AP the organisational base

and strength of the mass organisations of CPI (M) was becoming weaker day by day. Party leadership was compelled to openly admit in many states that even democratic centralism within the party was facing serious challenges. Due to the renegade position pursued by the leadership during the emergency period a serious crisis had developed. It was in such a situation Salkia Plenum was held.

Though this Plenum was a complete failure in evaluating the organisational collapse in relation to the serious political and ideological mistakes in the Party, it had put forward few organisational suggestions to tide over the difficulties. CPI(M) has evaluated this plenum as one of the most important conferences in its history. This Plenum had put forward ten important points including federalism, absence of self-criticism and collective leadership, keeping away lower levels of party organisation from policy formulation, deviation of the organisation from proletarian qualities, lack of reflection of party's mass base inside the party organisation, failure to provide political-ideological education to new cadres, lack of interest among elected people including MLAs and MPs to the propagation of Marxist-Leninist principles etc as the sources of serious weaknesses of the organisation.

It is reported that many delegates pointed out the failure in taking any serious steps to implement the important points raised by Salkia Plenum. Though the leadership had pointed out the quantitative growth in membership of party and mass organisations especially in W. Bengal and Kerala during the 13 years after the Plenum, it had nothing to offer as an explanation for the near wiping out of the organisation in Punjab, Assam and Kashmir. The leadership also had nothing to explain about its organisations' collapse in states like U P, Bihar and A P where feudal oppression is still continuing, and it becoming the tail of the bourgeois organisations there. Even in states where the party was in power or is in power for a long time like in W. Bengal even antagonistic contradictions have surfaced between party and people, and between party leadership and the ranks. It was reflected to some extent in the course of the 14th Congress. Discussions came up in the Congress about luxurious living and corruption of party leaders from these states. It is said that a section of the party workers tried to distribute a leaflet during W. Bengal state conference dealing with the corr-

ruption and favouritism under LF govt there and Jyothi Basu's personal responsibility in it, and that it was prevented by the intervention of the central leadership.

One of the main criticisms raised by the CPI, CPI(M) leaderships against the Marxist-Leninist movement in India during the last two decades was the splits within the movement and the formation of various groups. But contrary to their expectations, today serious efforts are made by the revolutionary forces to forge unity. As a result united activities at mass organisation's level are initiated. When the unity process among revolutionary forces is advancing what is the state of affairs within CPI, CPI(M) like revisionist forces?

Groupism is rampant within all of them. About 100 groups are reported within CPI(M) with many of them as in W. Bengal, Kerala and Orissa going out. All possibilities for discussing differences democratically is denied within the organisation. Those who differ or go out are physically assaulted as it was the practice in late sixties and seventies. Dissident leaders in Orissa was killed recently in this manner. In W. Bengal and Tripura it taking place on a large scale. It is impossible for the present leadership of CPI(M) which is leaping from revisionism to social-democracy to analyse the political-ideological sources of the serious organisational weaknesses pointed out by Salkia Plenum and to resolve them. The serious situation of federalism growing neglecting Party centre and such other problems can be resolved only by strengthening democratic centralism within the organisation. And the strengthening of democratic centralism is possible only through a correct political centralisation. Only when we understand this we can see that an organisational collapse is inevitable in CPI(M) which is pursuing social-democratic positions and as a result political centralisation is becoming weaker day by day. Salkia Plenum did not try to resolve organisational problems by strengthening political centralisation and through it democratic centralism by discussing and resolving serious political positions like abandoning of agrarian revolution, rejecting the right of self-determination of nationalities in multi-national India which was upheld by the undivided Party till early fifties and once again upheld after Naxalbari, taking opportunist positions with regard to serious issues like reservation questions which were the hall-mark of CPI(M) politics from its time of formation. As a result by the time of 14th Congress all serious problems like federalism had

reached an irresolvable position. As a result tens of thousands of party cadres and members of mass organisations are abandoning CPI(M) ranks. An effective political intervention by the revolutionary forces has become an urgent necessity to win over these sections politically and to strengthen revolutionary ranks.

The 14th Congress documents have fully exposed the political and organisational weaknesses of CPI (M). The basic and reasons for these weaknesses originated with CPI (M) embracing Krushchovian positions on international questions. In this context it will be helpful if we examine the basic positions put forward by revolutionary forces from the time of Naxalbari on international questions.

The Relevance Of The General Line Put Forward by CPC

In this context we have to reiterate here the relevance of the General Line put forward by CPC under the leadership of Mao in 1963 by evaluating the international situation. It provided the ideological basis for formulating the global strategy of the proletariat and thereby for developing ideological struggle against modern revisionism. Uncompromisingly struggling against modern revisionists who by stating that the principal contradiction is between socialist world and capitalist world buried all other main contradictions at global level, the General Line correctly put forward that the principal contradiction in contemporary world situation is between imperialism on one side and the oppressed nation and people on the other. CPC initiated GPCR against capitalist roaders from such a correct standpoint. It enthused the revolutionary forces all over the world. But even during GPCR the LinPiaoist section within CPC had questioned the essence of General Line and had put forward an erroneous understanding about present era as an era of 'total collapse of imperialism and all round victory of proletarian forces'. In the article 'Long Live the victory of People's War' also Lin Piao had put forward this erroneous position. He tried to diminish the strength of imperialism and exaggerated the strength of revolutionary forces. Though many of the erroneous positions of Lin Piao were questioned and defeated soon, the erroneous political position based on which he had put forward his line

could not be studied in depth and its political consequences could not be properly evaluated then. This wrong tendency which had surfaced during the GPCR period had its profound impact on the negative tendencies which later afflicted the Marxist-Leninist movement all over the world.

When we examine the later period we can see that the 'theory of three worlds' put forward by Deng Tsiaoping after the death of Mao Tsetung created serious ideological confusion within the international working class movement - Depicting Soviet social imperialism as the main enemy of the world people Deng put forward a new global strategic line for the world proletariat : that is uniting with all forces including US imperialism against the enemy. This theory put forward by Deng wrongly evaluating the world situation was aimed at thwarting the progress of class struggle and for abandoning all positive aspects and achievements of GPCR.

The revolutionary forces in India including CPI (ML) (Red Flag) was engaged in struggling against the counter-revolutionary positions of Soviet, Chinese leaderships by upholding the essence of the 1963 General Line. Alongwith this they were engaged in an uncompromising struggle in India against CPI, CPI (M) like revisionist forces as well as the so-called revolutionary groups who were upholding Dengist positions. Today the collapse of the world revisionist camp including the fall of Soviet Union have put CPI - CPI (M) like forces as well as three world theorists into utter confusion. It is in this background CPI (M)'s efforts to unite with some degenerated revolutionary groups like Vinod Misra group (or IPPF) should be seen.

Question Of Unity Of CPI(M)-CPI(ML) Forces

Right from the time of 1968 Burdwan Plenum CPI(M) leadership was repeatedly propagating that 'Naxalism' is the main trend to be fought and defeated within the working class movement. When this very same leadership is coming forward with the slogan of unity with some 'Naxal' groups it should be closely examined. CPI(M) leadership drowned the great Naxalbari struggle in blood. It conspired with all other ruling class forces in murdering thousands of CPI(ML) activists and many CPI (ML) leaders all over the country. Even now it is continuing these heinous acts in AP, Bihar and elsewhere. It shows the

real nature of the slogan of unity with 'Naxals' CPI(M) is raising. Only when we examine CPI(M)'s approach to Naxalbari struggle and to the important ideological struggles that led to the formation of CPI(ML), we can realise the hypocrisy of the unity slogan now raised by it.

Today CPI (M) is talking about unity not based on any intention to move towards the revolutionary stand by abandoning its earlier arch-revisionist positions regarding vital issues like the class character of Indian bourgeoisie, stage and path of Indian revolution etc. On the contrary it is only a clever move from their part to save themselves from the crisis they are facing due to the bankruptcy of their earlier political-ideological positions. The almost total collapse of CPI(M) in Hindi region especially in states like Bihar and the growth of the revolutionary groups in these areas are the main reasons for it to try to forge unity with Vinod Misra group like organisations which have totally degenerated to revisionist positions. It is clear from the positions of CPI(M) as well as VM group published in the organ 'Liberation' of VM group (Even after abandoning all Naxalbari positions VM group is utilising these titles to hoodwink the people as much as they can) explaining the discussion between CPI(M)'s politbureau member Prakash Karat and VM group. CPI (M) representative is pointing out two issues as important welcome steps by V.M group: first, abandoning Deng's three world theory as CPI (M) has done and moving closer to it on all important international issues; second, abandoning the path of people's war and deviating to parliamentarism. According to Karat the only point remaining to be rectified by VM group are firstly the phrasemongering about the heritage of Naxalbari, and secondly the practice of contesting elections under the banner of IPF instead of utilising party's banner as CPI(M) and others are doing, CPI (M) has already united with a few degenerate groups like Ashim Chatterjee group. But the genuine revolutionary groups in India who are upholding the path of people's war and agrarian revolution have totally rejected the opportunist unity slogan of CPI (M).

According to the revolutionary forces in India the line of people's democracy put forward by CPI (M) totally reject agrarian revolution and is quite contrary to the position put forward by Lenin in 'Colonial Thesis' and substantiated through the

New Democratic Revolution in China. CPI (M)'s stand about the dual character of Indian bourgeoisie has become a laughing stock in present day India which is totally transformed into a neo-colony. Things have changed so much in recent day that CPI (M) cannot talk even about the 'progressive nature' of India's foreign policy. The bankruptcy of CPI (M)'s evaluation about the progressive nature of India's foreign policy is repeatedly proved now with Rao government's full recognition of Israeli and South African governments, supporting all US positions in UN, and with the supply of oil to US war planes during the aggression against Iraq. All these prove that after the bankruptcy of all its political-ideological positions are totally exposed, CPI (M) is not ready to change them and as such is confirmed more and more as a ruling class party. Its slogan of unity with revolutionary forces is only a clever move to save itself from the serious crisis it is facing presently.

When we comprehensively evaluate the decisions of the 14th Congress of CPI (M) it is becoming more and more clear that they have moved significantly further to more rightist positions on all basic international and national issues when compared even to the centrist positions they had taken in Burdwan Plenum. The bankruptcy of the line they were pursuing for the last two decades is becoming clear as daylight. It is more established today that Indian revolution can advance only by firmly upholding Marxism-Leninism-Mao Tsetung Thought and assimilating the lessons of Naxalbari. As a result of the economic political policies pursued by the ruling classes totally mortgaging the country to imperialist powers, the basic contradictions here have become more and more intensified. CPI (M) which played a not so insignificant role in keeping intact Rao government in power so far has already moved to irreparable path of renegacy. Exposing this position of CPI(M) and consistently developing struggles against it revolutionary forces have to urgently unite and advance forward. ●

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We must always remember that the revolutionary people of India repeatedly participated in the communist movement, fought, made untold sacrifices, and laid down their lives. We are the heirs to the glorious tradition which the heroic martyrs of Punnapra-Vayalar, the heroic fighters of Telengana, and the fighting workers and peasants of every province of India established by sacrificing innumerable lives. We must be true to them and carry forward their tradition. The heroes of Kayyur went to the gallows with the name of the Communist Party in their lips. It is that Communist Party which we represent. This party has become today's Communist Party of India (Marxist-Leninist). In order to precisely carry forward that tradition it is necessary for us to sum up their great experience and create the most intense class hatred against wrong ideas.

— CHARU MAJUMDAR

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