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## On the 150th Anniversary of the Communist Manifesto

It is 150 years this year since the Communist Manifesto was officially put forth before the world by the Communist League. Its authors, Karl Marx and Frederick Engels, were 30 and 28 years of age, respectively, at the time. That they could draft a Manifesto of such comprehensive integrity, sweep, and lasting power, is not just a tribute to their individual genius but a pointer to the particular juncture at which they lived and fought: It was a period of revolutionary storms by bands of workers around Europe. Capitalism had by then come into its own, and the two main antagonistic classes of the capitalist mode, the bourgeoisie and the proletariat, were clearly established. Marx and Engels's genius lay in a penetrating all-sided analysis of why this class of proletarians, the proletariat, as yet to be developed as a conscious class through its struggles and its ideology, was the most *advanced* class for this epoch; how, in order to liberate its own conditions of labour and life, the proletariat would have to liberate all humanity; the historic necessity of proletarian socialism (with abolition of private property in the means of production as its cornerstone) through revolutions led by the proletariat; the outlines of the ultimate progress towards a communist society. The authors of the Manifesto indeed gave the proletariat its ideology in an explicitly worked out form.

In February 1848, when the Manifesto was first published, it played the historic role of unfurling the *ideological* banner of the Communists: It told the world of their world view (dialectical materialism), their approach to understanding history (class struggle as the moving force behind all historical change in civilisation), and the outlines of the future in which the main thing was the leading role for the proletariat. The Mani-

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Manifesto played the historic *political* role of analysing and demarcating from non-proletarian socialist trends and sects prominent at the time. It played a historic *organisational* role by making explicit the Communists' *tactical line* and the fundamental principles governing it. ("The Communists fight for the attainment of the immediate aims, for the enforcement of the momentary interests of the working class; but in the movement of the present, they also represent and take care of the future of that movement." "In the national struggles of the proletarians of the different countries, they point out and bring to the fore the common interests of the entire proletariat, independent of all nationality.") In other words, it declared what Communists stand for and how they would proceed toward their programme. Communists would thus be the vanguard, the front-line fighters, among the proletariat — with definite goals, programme, and tactical line. They could be the more resolute and consistent, because they were equipped for it ideologically — and so could *better prepare* politically and practically for the fight to come.

### **Basis for revolutionary optimism**

The Manifesto is replete with revolutionary optimism. It is not an optimism to be founded on this or that victory in revolutionary battles, any more than it is to be depleted by particular defeats in those battles. Its foundations are in the scientific understanding of this epoch of capitalism (dominant worldwide), capitalism's placing in the sweep of social history, and the necessary revolutionary nature of the proletariat's tasks ahead. The Manifesto's revolutionary optimism was not based on the numbers of followers of communism: Communists were few and communism had just been newly and clearly defined. Even then, they needed to differentiate themselves clearly from those others making similar sounds, using similar words, but aiming differently. They needed to contend with the several socialist creeds that reigned at the time and of which proletarian socialism of the Communists seemed only one. What imparted the superb confidence, predictive power and vast revolutionary optimism to the Manifesto was its determinedly scientific and all-sided approach and its solid grounding in theory expressive of actual historical movement. It is the far-sighted perspective that enables steadfastness through defeats and destruction. And it is the minutely scientific application of theory

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that makes possible the learning from mistakes in the course of revolutionary practice.

The disappearance of the socialist camp from the face of the world following the restoration of capitalism in the Soviet Union and in China in 1955 and 1977, respectively, has given fertile soil for creeping self-doubt and revisionist tendency among sections of communist revolutionaries today. It is as if sections of the communist camp have been cut adrift. Creeping revolutionary pessimism undermined the "revolutionary high" of being able to point to two resounding successes of a kind unimagined in earlier times. Yet we need to recall that, in the far view of the Manifesto, these are only two major vindicators — signs of the shape of things still to come. They are milestones of which no doubt the authors of the Manifesto would be greatly proud: yet on the sheer existence of which they would not depend for their optimistic onward march. Rather, they would feel further vindicated that the capitalist restoration in the USSR, the revisionism of the CPSU (including its turning social imperialist) was exposed under the leadership of Mao and the CPC; further, that the revisionism of the CPC after Mao's death was exposed and struggled against by relatively smaller groups and parties of communist revolutionaries the world over, who withstood too the isolation of consequent splits, and who in time have marched on on the revolutionary path of armed revolution and proletarian democracy.

### **Vindication in revolutionary practice**

The point is that the flow of history since the Communist Manifesto has vindicated its standpoint. We can say with Engels that the "general principles laid down in the Manifesto are, on the whole, as correct today as ever." The French revolution of 1848 immediately subsequent to the Manifesto "was not a socialist revolution but paved the way, prepared the ground for the latter." The Paris Commune of 1871 taught the lesson that a revolution cannot hope to use the State apparatus taken over from the overthrown class but must smash it and substitute it with its own, prepared in the course of revolutionary struggle. The period 1872-1904 was thus more a period of preparation "for the era of future change" and of a fight against opportunism — creating the workers' own press, their own educational institutions, their trade unions, and their cooperative

societies, etc. By the late 1890s, with Marxism triumphing, ideologically and through historical events, over all the other ruling creeds exposed in the Manifesto, the attack on Marxism by its enemies had to be organised by them from *within* Marxism — by first avowing Marxism. This Marxism-revised was Revisionism. Politically it took the form of Opportunism. Thus began the Marxists' struggles against Revisionism. Through this process came the Russian revolution of 1905. That as well as the revolutionary storms in the East, failed; yet they underscored "the heroic democracy of the masses of the people", "the spinelessness and baseness of liberalism", "the exceptional importance of the independence of the democratic masses", and "sharp demarcation between the proletariat and the bourgeoisie of all kinds." There was no scope thereafter "for anyone in his senses to talk of non-class politics or non-class socialism." (Lenin) Thus vindicated till then, and with the lessons learnt from the various defeats, the Communist Manifesto's greatest vindications came thereafter, in the form of the revolutionary high tide of the Bolshevik revolution of 1917; the communist-led fight against fascist forces in the Second World War; the victory of the Chinese Communist Party in the form of the completion of China's new democratic revolution under the leadership of the proletariat; and the several heroic centres throughout the third world of a communist-led fight against the imperialist powers, now particularly the U.S. super power. Over all those decades following the victory of the first two proletarian revolutions, the world watched in awe and profound hopefulness the transformation of life and of all production and social relations under proletarian socialism first in the USSR and then in China.

Thus it has been a far cry from the time when Engels pointed out that "few voices responded... [to the call of the Manifesto] on the eve of the first Paris Revolution [of 1848]" though in that revolution *the proletariat had come out with demands of its own* and so it may have seemed ready to heed the call. Today, that "the emancipation of the workers must be the act of the working class itself", or "Working men of all countries unite!" have become part of the common equipment of all revolutionaries, because they have seen these calls reverberatingly put into practice over these 150 years, and also seen the treachery in the alternative reformist approach. They are also equipped with the further development

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of the Marxist doctrine by Lenin based in the course of historical experience about imperialism and about the necessity of a tightly-knit party, and the brilliant revolutionary application and development of Marxist-Leninist theory by Mao for the conditions of the third world, of modern revisionism in State power and capitalist restoration, and thereafter for the general carrying forward of socialist transformation through the Great Proletarian Cultural Revolution. If anything is lacking today, nevertheless, it is the pervasive revolutionary confidence and disdain for capitalism particularly now in its degenerate imperialist stage where Marx and Engels had radiated that disdain, in the heyday of capitalism's growth and progressive dynamism, a disdain securely based in the theoretical knowledge of capitalism's internal contradiction and essential historical weakness. What is missing today is pervasive impatience with imperialism's brash propaganda about its seemingly all-enveloping power and about it being everlastingly here-to-stay. Hence, at the other end of the same pole, missing to the same extent is the imperative patience with the intricate needs of building a revolutionary movement, based securely in theoretical knowledge.

### **Capitalism's crisis deepens, broadens**

The crises in which the imperialist countries have been trapped ever since the end of the first boom of the post-Second World War reconstruction vindicate the inevitability of capitalism's collapse as formulated in the Manifesto 150 years ago. No doubt the technological power of capitalism at the end of the 20th century is unimaginably vaster than it was 150 years ago. But that fact only sharpens the contradiction between the world people who are steeped in misery and want and imperialism which is in a bog of inevitable crises such that its regimes can no longer consistently undertake even alleviations of people's condition.

The disappearance of the socialist camp (ie, the proletarian socialist States) and the consequent material changes in the current political balance internationally has led sections of ideologically infirm revolutionaries to secretly wonder whether capitalism is indeed resilient enough to stave off its downfall indefinitely, through measures such as the technological revolution and globalisation of capital. Says the Manifesto to the capitalists at the height of their progressive historical role:

"The selfish misconception that induces you to transform into eternal laws of nature and of reason, the social forms, springing from your present mode of production and form of property — historical relations that rise and disappear in the progress of production — this misconception you share with every ruling class that has preceded you. What you see clearly in the case of ancient property, what you admit in the case of feudal property, you are of course forbidden to admit in the case of your own bourgeois form of property."

"The productive forces at the disposal of society no longer tend to further the development of the conditions of bourgeois property; on the contrary, they have become too powerful for these conditions, by which they are fettered, and so soon as they overcome these fetters, they bring disorder into the whole of bourgeois society, endanger the existence of bourgeois property. The conditions of bourgeois society are too narrow to comprise the wealth created by them. And how does the bourgeoisie get over these crises? On the one hand by enforced destruction of a mass of productive forces; on the other, by conquest of new markets, and by the more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented."

So too the notion of "globalisation of capital" is by no means new. However it has been promoted in the past decade by crises-ridden capitalism as something new and is being used by it to justify the ruination of other countries in the name of "global reform", as if it were undertaking thereby some new stage in the further improvement of efficiency worldwide, such that there would be an "open sesame" to wealth for all the poorer nations. In fact capitalism by its very nature and genesis is and has always been global: "The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connexions everywhere." Exploitation of other countries was important for its very birth and early development. That drive has never ceased. Only assumed different forms. Since capitalism's final stage of imperialism, the effects of that global reach have been ever more destructive as world wars have

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been undertaken by the imperialist powers to win markets and redivide a world already completely divided among some imperialist countries. In the latest form of globalisation, the neo-colonialist globalisation, imperialism has mastered the art of temporarily hoodwinking whole peoples by ruling them indirectly and even getting sections of people (not only their ruling classes) to believe, for a while, that what is good for imperialism may be after all good for their country. The global nature of capitalism helped it in its early history to overcome some internal crises by more intensive and extensive exploitation abroad. But, as the Manifesto so lucidly put it, that merely paved the way for more extensive and more destructive crises, and diminished the means whereby crises had hitherto been prevented. Precisely this is borne out in the current economic upheavals in Asia and Latin America.

### **Capitalism's ideological counter-attack**

To date the Manifesto stands as the single most comprehensive, consistent, and terse statement for this epoch and its tasks. Based on a scientific, dialectical-materialist, understanding of the fundamental laws governing development of human societies and social history, it stands vindicated by historical developments since, and by revolutionary practice in line with its teachings. Even in countering Revisionism which made its appearance a half-century after the Manifesto, the Manifesto makes a significant first contribution, because the method of its exposure of the various other socialist creeds of its time — analysing what each says and what it fails to say; indicating in what direction it is essentially going and, in going there, on whom or which forces it depends; and finally, tracing the historical roots of the creed to predict how it would end — all this helps in the dealing with Revisionism. For the same trends and tendencies are now expressing themselves within the Marxist frame. Essentially the same various urges and weaknesses, outlined in the Manifesto's criticism of the other socialisms, have been expressed under the Revisionists' banner in the form of attempts to "improve" Marxism, make the Marxist doctrine "less doctrinaire", and adapt it to the "changing times".

Capitalism — hemmed in by its own problems, having lost the social imperialist base for Revisionism, but no longer having to cope with the impact of a flourishing socialist camp — is now ever more brazenly pro-



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ceeding to assert *outside* of the Marxist camp too and with its academic and media backing, various pseudo-radical theories. These depict society as containing a whole number of non-class conflicts between oppressor and oppressed: landlords and peasants, employers and workers, State and the individual, men and women, plainspeople and adivasis, upper castes and lower castes. This is a list that can be added to according to time and place. The preoccupation of these new-fangled theorists is to expose the wrong-doings of individual oppressors, seek redressal within the system and the same State, lead pressure groups and agitations for the same, and hope to create “spaces” for the oppressed — even to make a common front of the oppressed in this “movement” from time to time. Imperialist-financed and State-sponsored NGOs (non-governmental organisations), mouthing class terms too in this process, are well employed to further this move. The determination of this eclectic basically bourgeois liberal school not to single out the class contradictions, and the main contradiction among them, not to systematically target the State as the most organised and powerful weapon of the ruling classes but to turn to it finally for redressal, in fact exposes the fundamentally reactionary class character of these theories and their peddlers. They need to be exposed by revolutionaries everywhere and fought ideologically and in the course of building the revolutionary movement, because their State-sponsored success-stories and the easy ways they have found to “construct” their numerous “movements” are having a strong opportunist fall-out among revolutionaries too.

### **Capitalism (imperialism) still haunted**

The fact is that, notwithstanding the imperialists’ shouting from the rooftops that Communism has been buried once and for all by the one-time communist States themselves, the imperialists are in fact nervously wishing away the Spectre of Communism. The Spectre is still haunting them, but not only in Europe any more. It is everywhere: in the deep jungles of Latin America, in the slums and villages of Peru, in South East Asia, in the hills and plains of the Indian subcontinent, on the numerous islands of the Philippines, in innumerable third world and European countries, indeed even in the countries once under the revisionist and social imperialist countries of the USSR and East Europe. Governments have

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high level strategies and co-ordination worked out to kill or exorcise the ghost. While the Manifesto is a compass for revolutionaries to judge their line by, it is even being sought today by ordinary literate people, in no less a place than Europe — “united Europe” of the imperialist dreams — where a couple of years ago, the “outdated” Communist Manifesto ranked among the top three best-sellers on the bookstands. Just as the Eastern bloc, revisionist and decadent, was being finally wiped off the face of the world, the people were seeking the excitement of the truth in the Manifesto to understand what was fundamentally wrong in their capitalist environment and what had gone wrong with their once-upon-a-time proletarian socialist States 40 years earlier.

India is a third world country where the revolutionary classes include the vast peasantry. Here, too, revolutionaries and their organisations have withstood and fought the deviations and diversions of the post-Second World War period. In this 150th year of the fighting life of the Manifesto, we can re-assert the final call of the Manifesto:

“In short, the Communists everywhere support every revolutionary movement against the existing social and political order of things.

“In all these movements they bring to the front, as the leading question in each, the property question, no matter what its degree of development at the time.

“Finally, they labour everywhere for the union and agreement of the democratic parties of all countries.

“The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a Communistic revolution. The proletarians have nothing to lose but their chains. They have a world to win.

“Working men of all countries, unite!”

## Postal Strike Expectations Dashed

— by a correspondent

The all-India postal employees' strike in July was noteworthy for a number of reasons. Reportedly the single largest postal workforce in the world, totalling some *six lakh* employees, went on *indefinite* strike from the midnight of 9th/10th July. The strike was for all practical purposes total: Only a tiny minority of some 20,000 employees, under the banner of the BJP-affiliated Bharatiya Postal Employees Union, opted out of it. Despite the Communications Minister's best efforts to maintain her usual air of smug confidence, the strike caused the BJP regime a great deal of anxiety. Coming shortly after the Delhi nurses' strike in May, it further marred the attempts of the new ruling party to show that it could swiftly tame labour. (Labour "peace" is a crucial pillar of the "stability" they had promised foreign and domestic big capital during their election campaign.)

The "Postal Joint Council of Action" for the strike — which included the two major Federations, i.e. the Federation of National Postal Organisations and the National Federation of Postal Employees — had taken care to include, in its charter of demands put to the Communications Ministry, the pending demands of all sections of postal workers (postmen, mailguards, clerical, telegraph and supervisory staff, postmasters, etc) such that every section would own the strike. Most remarkable was the placing, as the *central* or main demand the regularisation of the "extra-departmental agents" (EDA) — the over three lakh (by some reports 3.9 lakh) most miserably employed postmen/women who form the backbone of the postal system in India's vast sparsely-connected

countryside. These workers get only "allowances" ranging between Rs 240 and Rs 1500 a month, and so do not enjoy gratuity, paid leave, or pension.

The Talwar Committee report, submitted in April 1997, recommended that EDAs be termed "Rural Postal Employees" and that they be granted departmental status, pay scales with increment, paid leave, pension/family pension, gratuity, bonus, general provident fund and other benefits extended to departmental employees. The Chairman of the Postal Board forwarded the report to the Finance Ministry, more or less agreeing with the recommendations. Hence the postal unions had, by conventional reckoning, a strong case.

A factor generally debilitating the trade union movement in India has been its neglect of the temporary, casual and contract workers employed alongside the permanent staff. As the State's policy shed all pretences and turned openly and aggressively anti-labour from the mid-eighties onward, parroting phrases such as "modernisation", "globalisation", and the "new economic policies", it began eroding whatever protective legal structures the permanent workers had won through past struggles. Now the absence of an alliance between the two sections of the workforce — those till now secure and those permanently insecure — was exposed as a major structural weakness in workers' defensive struggles against job and security losses. The postal strike's demands thus bridged an important gap in the workers' fighting strength.

The postal unions tellingly pointed out that the rural postal system has a special significance for the majority of Indians who work and live in a sprawling, poverty-ridden countryside. The so-called modern methods of e-mail, courier networks, faxes, and STDs are well beyond the regular reach of the majority of even the urban workforce. While such high-tech means of communication are being made available to the elite and big business, the *majority* of postal workers, serving the *majority* of the population, are kept as non-employees. This retrograde system is indeed a legacy of the British Raj, and EDAs are still governed by work-study norms of 1929 and 1959! In typical rulers' language of today the EDAs are being told that their employment has "flexibility" such that they can choose their own timings and even pursue other "vocations" (in villages that notoriously lack any scope for employment). In fact, the volume of

mail has grown over the years, and the EDAs have to cover a large number of widely dispersed villages. As a result, they have to work for even more than eight hours. They are not even provided bicycles to cover the distances. It was thus a significant event when they went on strike as one man on July 10th over all the near and remote villages of India, joining forces with the rest of their postal brethren and sisters. (Before this, on a couple of earlier occasions, the union leaderships had taken preliminary steps to project the plight of the rural employees and then undertaken a day's token strike over their regularisation.)

The PJCA had followed all the due procedures for July's indefinite strike, had placed its charter of 10 demands which were justified even by the conventional standards: anomalies in the Fifth Pay Commission's recommendations; parities among corresponding central categories; regularisation (of the EDAs in the main) which had already been ordained by a Supreme Court order and then had been recommended by the government-created Talwar Committee; etc. It was difficult for the Government to deny the demands outright or defend obduracy on these scores. Which also explains the vociferous support for the strike in Parliament from among the Opposition ruling class leaders. (Among the Opposition were the members of the United Front government, which had received the Talwar Committee report in 1997 and allowed it to gather dust.)

The bourgeois media, true to form, began projecting the sufferings of ordinary postal users, and blaming the postal workers for this situation. (In fact the bourgeois media's real concern was the discomfort caused to big business, which even today continues to use the postal services heavily; and which is also always anxious to ensure suppression of general wage levels.) What was required was a counter-propaganda blitz by the union leadership, explaining the reasons for the strike; what was also required was solidarity actions by other sections of workers, particularly Government employees. But such a solidarity movement was not to be found. Some solidarity actions were reported: in Kerala, telecom employees observed a day's token strike; Central government employees in West Bengal, Tamil Nadu and A.P. undertook token actions; and the Confederation of Central Government Employees said that if the demands were not settled by July 12 it would call for solidarity actions all-India from Monday. The postal unions claimed that all the central trade

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unions had promised support. But all these amounted to gestures; a true, sustained solidarity movement has long been missing from the agenda of the central trade unions. Such a movement would, after all, make it difficult for them to somersault into unexplained deals with the Government. (One remembers, by contrast, the historic postal strike of 1946, when general strikes were called, and huge rallies held, in solidarity with the postal workers in Bombay, Madras, Calcutta, and Assam. Despite official threats, repression, treachery by pro-management unions, and the anti-labour policy of the Indian National Congress, the postal workers sustained the strike from July 11 to August 3, 1946, winning their major demands.)

In response now the Government took a stiff stance, notwithstanding the workers' transparently legitimate demands and the opposition parties' support for those demands. It made unconditional withdrawal of the strike the precondition for any favourable consideration or talks. It was seeking a *political* victory over the strike. For foreign investors this would give the important signal of the BJP government having the upper hand over labour, and incidentally would also signal to the mass of workers that the regime would not tolerate any agitation by the working class.

The Government set about obtaining this apparent political victory, from the start, with a succession of tough gestures, divisive moves, and vague promises. Calling the strike "politically motivated", the minister insisted on its withdrawal first. She threatened to call in the army postal personnel; she threatened disciplinary action including termination of employment; and she refused to entertain any meeting with the union leadership. Then followed a series of separate dealings: By the fourth day, when the union leadership was stridently declaring its intent to continue the strike and organise a rally in the capital, the government had succeeded in getting the post-masters, assistant post-masters and superintendents of the head post offices, some 15,000 in all, to return to open the head post offices. Then news trickled in that the Government was in any case intending to concede the parity with central police constables demanded for postmen and mail guards. Notably, the minister maintained ambiguity on the question of the EDAs — the central demand of the strike.

Details are not available of the actual nature of the talks that finally occurred, but the strike was withdrawn by the end of the a week — that is, another three days after the announcement of the rally that never took place. There was *no written agreement*, but rather an oral assurance that strike-pay would not be cut, that there would be no victimisation, and that all the demands would be sympathetically considered. The record of this regime leaves hardly any scope for such trust: Only two months ago, the striking nurses of Delhi had fought determinedly and unitedly for their demands against this same Government. At the end, they had obtained a written agreement — which, to date, has not seen the light of implementation. The postal unions have claimed a victory, but significantly, so has the Government. R.U.S. Prasad, Post Master General, claimed thereafter that in fact nothing is changed: things were under consideration earlier. they are going to be under consideration now. no further assurance on the demands has been given.

The union leadership claimed, in justification of their concluding this strange “unwritten” deal, that they had no choice. “We had to be flexible, as time was running out for us,” said G.K. Padmanabhan, secretary general of the Federation of National Postal Organisations. “Strike morale is a strange animal; you don’t know which way it will turn.” In fact, all reports were that the strike continued in strength till the end. Whatever the truth of the union leaders’ statements, it is clear that the minister, Sushma Swaraj, extracted a political victory. (She even insisted humiliate-ly that the union, in its final statement, substitute the phrase “*decided to call off*” with “*called off*”, and that it insert the phrases “faith in the commitment made by the minister” as well as “in the spirit of trust and understanding.”) She declared triumphantly that the deal was “a new beginning where workers begin to trust the administration.... It took the postal unions precisely eight days to trust me.”

Come September, a month-and-a-half after the strike was called off, and there seems little basis for trust. There is no official word about action on the demands of the strike. A press report of September 2 tells us that “the Union cabinet has constituted a six-member group of ministers to finalise a ‘total security package’ for postal employees to cost more than Rs 1,000 crore.... the package envisages payment of gratuity and pensions to the temporary employees (EDAs), besides providing for

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provident funds for them. However, *this is not expected to be on par with regular postal employees, but will be linked to the number of hours that the EDAs spend at work.*” In other words, the crucial demand of departmental status for the EDAs is apparently not to be conceded.

After all, the trend under IMF-World Bank-directed ‘structural adjustment’ is in the contrary direction — ie. for the existing staff strength of the postal services to be whittled down, and more staff to be assigned to services which turn a profit, aimed at the commercial user. A consultative study undertaken by the Faculty of Management Studies on the Postal Department for the Fifth Pay Commission concludes: “The department needs a 30 per cent reduction in staff over the next decade to ensure it stops becoming a burden on the national exchequer.”

Like the telecom strike of three years ago, the postal strike is a pointer to the sheer potential for large-scale action on crucial demands of the working class. And like the telecom strike, it is also a reminder of the *political* obstacles to that actually taking place.



A.P.

## Hired Criminals

— by a correspondent

The Andhra Pradesh government continues to touch new depths of criminality, barbarity, terrorism and cowardice in its attempt to liquidate the membership of revolutionary organisations.

On April 13, the A.P. Home Minister, A. Madhava Reddy, “appealed to the Naxalites to give up the path of violence.... He said that no citizen had the right to take law into his hands and kill innocent people.” In itself this statement is nothing new, it is repeated *ad nauseam* by each government that takes office in Andhra Pradesh. Only the occasion for this latest appeal was a bit ironic: the announcing of a hefty cash reward to one Jadala Nagaraju for the cold-blooded murder of a CPI(ML) People’s War Group functionary.

Nagaraju, also at the press conference, said that he was an active member of the People’s War Group (PWG), but had surrendered to the police on January 1, 1997. After being imprisoned for nine months, he was freed on bail, whereupon he rejoined the PWG. On April 12, he claimed to have had an altercation with PWG Karimnagar district secretary, Vijay (alias Ramesh, actual name Malkapuram Bhaskar) “on the question of internal democracy in the PWG”. He further claimed that Vijay had “threatened to kill him when he questioned the propriety of the PWG killing innocent people.” Nagaraju says that Vijay opened fire at him with an AK-47 rifle, but the bullets missed him. Nagaraju immediately snatched an SLR rifle from a dalam member and killed Vijay. (According to another, contradictory, account by the Superintendent of Police C. Umesh Chandra, Nagaraju snatched Vijay’s AK-47 and killed him

with that.) He then raised an alarm that police personnel had been sighted. As the dalam members ran for safety, Nagaraju escaped with the AK-47 and surrendered to the police. He managed to bring with him not only his AK-47, but also one SBBL, "eight kit bags, one tractor load of provisions (!) and some other items."

And so the Home Minister presented Nagaraju a cash reward of Rs 10.2 lakh — the combined price of Vijay's head (Rs 10 lakh) and the price on his own head (Rs 20,000). The Government is signalling its willingness to most handsomely reward any cadre who will murder his comrades.

Of course, the real story, which emerged a day later, was rather different from the fantasy peddled by Nagaraju and the Home Minister. In fact, after Nagaraju surrendered in January 1997, he struck a deal with the police to murder top leaders of the PWG. He was granted bail within just nine months, without opposition from the police. We all know of the mafia practice of putting out "contracts" for the killing of opponents, now we know the police does it, too. Apart from the cash gift, the police promised Nagaraju a job and the cancellation of cases against him if he did the job for them.

However, after Nagaraju rejoined the PWG, he found it difficult to pierce the security cordon around the top leadership, and had to settle for murdering the less-guarded Karimnagar district secretary. Nagaraju's claims of having advocated internal democracy before killing Vijay are far-fetched. According to the report in the *Hindu*, he killed Vijay in the early hours of Sunday, April 12, when his victim was *sleeping*. The *Indian Express* appropriately titled the news item: "Kill your comrade, collect Rs 10 lakh."

Nagaraju then raised an alarm that the police had come, causing the scattered dalam members to disperse. After this, he contacted the police to tell them the plan had been executed. The SP rushed to the spot, seizing the provisions and materials at the campsite. Clearly Nagaraju's action was coordinated in advance with the police.

Perhaps recalling the home minister's admonition that "no citizen had the right to take the law into his own hands and kill innocent people", a correspondent at the press conference asked whether the police would hand over Nagaraju to the court for trial. No answer came from the

officials. However, at one point in the press conference Nagaraju embarrassed his patrons by threatening that if the PWG killed members of his family or relatives, he would kill them in return. Worried that such behaviour might not quite fit the image of a seeker of internal democracy and defender of innocent people, the home minister had Nagaraju hustled off to another chamber while he continued the press conference.

This incident was preceded by an equally cold-blooded action in Nalgonda. One Somla Naik, a Lambada tribal youth who had become a member of the Krishnapattu squad, killed four members of his own squad. Why did he do so? According to Somla Naik, he was fed up with the "high-handed" behaviour of the squad commander, who harassed him to get food from the Lambada tribals. "People were refusing to give us food and the commander was in no mood to listen to me. I got fed up with his attitude and struck", Somla Naik told the *Hindu* correspondent (*Hindu*, 14/4/98). However, this differs from the account in the hand-out circulated at the press conference of the A.P. home minister on April 10, which said that when Somla Naik was directed to go to the villages and get food for the squad, "there was an argument between Somla Naik and the dalam which resulted in heated exchange of words and led to the opening of fire by one of the dalam members on Somla Naik, who managed to get hold of an AK-47 and opened fire, killing four members."

Both these accounts differ from Somla Naik's account of April 18 (*Hindu*, 19/4/98), which is a little closer to the truth: "I wanted to surrender to the police and lead a peaceful (*sic*) life. I was on sentry duty in the early hours of April 4 when the dalam was camping at Pavuralagutta. I collected the weapons of all the other dalam members and dumped them at a safe distance. Then I had let loose a fusillade from my AK-47 on the sleeping dalam members. Four of them were dead. Others took to heels. I have no regrets." (emphasis added) Mr Srram Tiwari, DIG, State Intelligence Bureau, said this act would earn Somla Naik rehabilitation and a cash reward of Rs 3.4 lakh. Apparently no press correspondent asked why Naik should not be tried for the cold-blooded massacre of four unarmed sleeping persons. Indeed, even by bourgeois norms of justice, those who hired him for this cowardly act, and who shamelessly rewarded him in public for it, should be put on trial along with him.

These two incidents, which occurred within eight days of each other,

gave the A.P. government and sections of the bourgeois media much to crow about. These incidents were described triumphantly as signs of "disillusionment", "discontent", and even "revolt" among the PWG ranks. Whereas what they in fact revealed was the desperation and frustration of the State machinery, willing to use any strategem, no matter how illegal, barbaric and cowardly, to liquidate revolutionaries.

A third display of criminality came on April 14 itself. According to the police account, A.P. Special Police were fired upon on April 12 by a squad of the PWG in the forest of Marriguda (Gumma Laxmapuram mandalam of Bhadravari Agency, Vizianagaram district) as they carried out combing operations. The police fired in "self-defence" and set off in hot pursuit of the PWG squad until they reached Kernyguda village, Rayagada district, Orissa. Here, in a fierce encounter, the police killed four women naxalites. A police constable was also killed.

The incident was inquired into separately by both the Organisation for the Protection of Democratic Rights (OPDR) and the Andhra Pradesh Civil Liberties Committee (APCLC), with similar findings. The story of the Vizianagaram firing was merely an alibi for the A.P. police's illegal solo incursion into Orissa. The Vizianagaram police in fact was not involved in the operation. A team of the A.P. "Grey Hounds" (anti-Naxalite police) and A.P. Special Police, upon receiving information of a PWG camp at Gotta village in Rayagada, Orissa, rushed to the site and surrounded it by the night of the 12th. At seven a.m. on the morning of the 13th, without issuing any warning, the police began their attack. They fired on a village woman and her daughter bathing and washing clothes in the rivulet; the daughter was wounded. The police shot a woman sentry of the squad, and then began shooting down members of the squad who, caught unawares, were trying to escape.

All the four killed were women members: Comrades Paramma, Arunakka, Saradakka, and Girijakka. Comrade Paramma had been active in the revolutionary movement since the days of the original Srikakulam movement, through various ups and downs, organisational vicissitudes, and illnesses. A steadfast comrade to the people in their struggles, she was tirelessly searching for the correct politics and practice. She was deeply loved by the common people of the region.

The injuries on the bodies revealed that the first three were shot from

behind. Comrade Paramma's body was found some distance away from the campsite, at an open place, showing that she had been chased.

According to an investigation by the OPDR, the bodies were bruised and scratched all over — such was the mentality of the police that they mistreated even the dead bodies of the naxalites. Apparently as a result of this mistreatment the bodies had decomposed badly by the evening of April 14.

Legality was once again thrown to the winds. The A.P. police had launched an unprovoked, unilateral assault on a naxalite squad in another state, without informing the police of that state. The police had given no warning, and shot escaping squad members in the back. For this the concerned police officers are sure to be handsomely rewarded with the prices set on the heads of the concerned naxalites. But each announcement of cash rewards further underscores the purely *mercenary* nature of the ruling classes' armed forces; and heightens the contrast between these hired killers, and those they have murdered, those who have sacrificed all, even their lives, in the cause of the people.

No amount of diabolical political propaganda by the State and its mercenary repressive apparatus about the "differences with the PWG" and about "PWG's high-handed behaviour with its people or its cadre" can hide the ruthless comprador-feudal class interest behind, and the reactionary terrorist character of, their counter-revolutionary violence against the PWG revolutionaries and the people. This State and its agencies have no moral authority whatsoever to point to any such weaknesses of the communist revolutionary forces or to the differences among them. Whatever weaknesses there are in the PWG's policies (concerning military recruitment, building of squads and the operational integration of the squads' role with the building and leading of armed agrarian revolutionary struggles of the people), they are bound to be corrected through summing up of the experiences of their revolutionary activity by them and through ideological-political debate of the communist revolutionary forces. Whatever the differences among communist revolutionaries, they are duty-bound to rally themselves to condemn, and organise mass revolutionary resistance against, the counter-revolutionary violence and fascist repression being let loose by the Indian State through its provincial governments and its repressive agencies.

# Srikrishna Commission Report in the Dustbin

— by a correspondent

The manner in which the Maharashtra government has been able to deal with the findings of the Srikrishna Commission shows up the sham that is Indian 'democracy'

The riots themselves were such an exposure too: — as was the event that triggered the riots, the Babri Masjid demolition.

These events leave no scope for any faith in the Indian State's impartiality or its will to defend the lives and property of its citizens.

The Bombay riots took place in two phases: December 1992 and January 1993.

Immediately after the destruction of the Babri Masjid on December 6 (1992) by the Sangh Parivar under the benign gaze of the Congress regime at the Centre, celebrations were deliberately and provocatively carried out in Bombay: bells were rung at temples, sweets were distributed, victory processions held, and firecrackers burst. Meanwhile enraged Muslim youth came onto the streets targeting, by and large, State property — buses, police chowkies, and the like: there were also instances of attacks on Hindus, their property, and their places of worship, but these were few. The police responded by going on a selective shooting rampage. This left a large number of dead — mostly Muslims. In some slums, the police and the Shiv Sena joined forces to carry out a systematic massacre of Muslims: In just one such slum, the toll was six Hindus and 44 Muslims. The riots ended in *about six days*.

The January riots were even more diabolical. They were systematically planned from late December in a three-pronged move: public gath-

erings at temples organised by the Sena/BJP; the Sena newspaper *Saamna*'s open incitement to riot; and instructions to local Shiv Sena activists to prepare lists of Muslims and their properties in various areas. From January 1 onward terrorising of Muslims began again. Between January 6 and 8 mysterious incidents of stabbing took place in which Hindus were victims, and a Hindu family was gruesomely burnt to death. These incidents, whose authorship is as yet not clear, became the propaganda platform for a massive, well-planned pogrom by the Shiv Sena throughout the city. That the country's richest metropolis could be held hostage by fascists for *a whole week* revealed the utter hollowness of the Indian State's 'rule of law'.

A myth was deliberately and widely spread that the riots were 'spontaneous'; but in fact the systematic targeting revealed the extent of preparation — at places, voters' lists were used to carry out the deed. The police were mute spectators, in open collusion with the rioters. The state government, ruled by the Congress, refused to act; the Central government, ruled by the Congress, refused to act; the Union defence minister, Sharad Pawar, came to Bombay, watched on, and extracted the maximum political mileage from the discomfiture of chief minister Sudhakar Naik, his political rival (Naik was removed shortly after the riots, and Pawar replaced him). The Shiv Sena chief Bal Thackeray continued to make incendiary statements throughout, and to direct the rioting by his foot-soldiers.

In all, at least 1,500 people were heinously butchered during the two phases of rioting — about twice as many during the second phase as in the first.

Immediately after, on January 25, 1993, the Congress government in Maharashtra appointed a judicial commission headed by Bombay high court judge B.N. Srikrishna to inquire into the riots. The Congress government's motive in doing so was transparently to avoid having to do anything else. The government had no intention of acting against the Shiv Sena or its chief. Thus in response to writ petitions demanding action against those accused in various criminal complaints, the government (even after Pawar took over the reins) continued to calmly maintain that it could not pursue any criminal cases until the commission completed its job.

The judiciary had many opportunities to display its worthlessness in delivering justice. It swiftly disposed of a number of petitions demanding action against the guilty — for example, a petition filed by two citizens (D'Souza and Thakore) citing at length the inflammatory writings of Bal Thackeray during the riots and demanding action against him. The petition was rejected at each stage — including the Supreme Court.

The Congress Government even managed to delay the start of the Commission's functioning, and then systematically to slow down the functioning of the Commission. Indeed, its counsel before the Commission behaved as if he were the Shiv Sena's counsel. Two months after the Shiv Sena-BJP alliance came to office in April 1995, the alliance government attempted to dilute the Commission's terms by adding to them an inquiry into the bomb blasts of March 12, 1993. Then it simply disbanded the Commission on January 23, 1996. Following widespread protests, and embarrassment for the BJP (which had a two-week spell of power at the Centre), the Commission was revived on May 28, 1996.

Five years after the massacre, after examining 502 witnesses and collecting 2,135 affidavits, on February 15, 1998, Justice Srikrishna submitted his report to the Shiv Sena-BJP government. The government refused to release it, and instead began a campaign against the unreleased report. When asked how he knew the report was "biased", since it had not been released, Bal Thackeray replied, "intuition".

Finally, for lack of any constitutional alternative, on August 6, 1998, the Maharashtra government released the report. At the same time, it rejected the principal findings of the report, and released an Action to be Taken Report which consisted of a pathetic 'refutation' of those findings. Ironically it promised beefing up of the police machinery (the same police machinery that had caused such damage in the first riot). The chief minister, in his speech, labeled the report "biased" and "anti-Hindu". Meanwhile, the Congress, in a brazen display of opportunism, used the report as a platform for criticising the Sena.

The report has several shortcomings, but it is explicit on two counts. First, it has rejected the theory that the January riots were spontaneous; it has provided clear evidence of their being *planned*. Secondly, it has *named* Bal Thackeray and the Shiv Sena as culprits, along with various other politicians and policemen. The report has tellingly cited the evi-



dence of a journalist who witnessed Thackerav directing his fascist goons to loot and murder; it has noted the names of Sena/BJP leaders caught red-handed; it has quoted from the writings of the SS supremo during the riots; it has analysed the testimony of Shiv Sena leaders who defended their party's role as 'justified retaliation'. In all this, the author has displayed far greater objectivity than many of his fellow judges and other members of the establishment.

It is clear by now that there is not an iota of a chance that any action will be taken on the principal findings of the report — even if the Congress replaces the present government.

Thus a Commission of Inquiry, set up under the ruling-class law by the state government, and headed by a thoroughly establishment-minded judge, has turned in its closely-documented report after five years — only for it to be trashed in the most summary fashion.

From start to finish — from demolition to massacre to five years of wait and torture — the process has been an education in the real nature of Indian 'democratic institutions' for the people, and it has shown the irrelevance of those institutions even for the ruling classes. The police, the courts, the parliamentary process — all have proved utterly worthless, or worse, in performing the most elementary duties of defending lives or punishing the guilty.

At the same time, the report has served a different function. Merely by stating the main truth, and refuting some of the fascist lies, it has partly addressed the terrible suffocation and alienation that is oppressing the Muslim community. It has also objectively helped strengthen those members of the public who did not support, or did in one way or another oppose, the fascistic night of December 1992-January 1993: for one positive factor in the communal situation in this period was the efforts of various citizens, democratic rights and civil liberties organisations, and other secular fora who continued to stand up to the Hindutva fascists throughout this period. And perhaps the report will help reduce some of the illusions of those misled by communal-fascist propaganda.

At the time of the Babri Masjid demolition and during the riots thereafter, many secular forces and individuals were oppressively overwhelmed by the impression created that the vast majority of the citizenry supported this repugnant ideology and the pogrom. Over the last few years it

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has become more and more clear that this is a false impression. No doubt communalism has infected the common people to varying degrees. no doubt a considerable number of lumpen youth joined and were paid to join in the rioting, but it was principally political parties and their thugs who rioted, rallying or silencing others by spreading panic-inducing rumours of Muslim atrocities and impending attacks.

The last three and a half years of Shiv Sena-BJP rule in Maharashtra have reinforced this realisation. These two parties, for the first time in power, have faced considerable exposure before their own support base. Their appalling corruption, string of anti-people measures, and fierce in-fighting have earned them disgust from those who voted for them. Further, among the sections who opposed them, actions such as the firing on the Dalits at Ramabai Ambedkar Nagar and the behaviour with the Srikrishna Commission have hardened opposition to them. General disillusion begins to dispel fear, too. Before 1995, few could dare to attack the Shiv Sena, but since then such attacks are common.

Thus, while the Commission's report has not served the purpose for which the establishment supposedly names such commissions (*viz.*, assisting in punishing the guilty), it has wound up serving another purpose, *outside* the framework of the establishment — the struggle of democratic forces against communal fascism and autocracy.

*Punjab*

## **The Stagnation Faced by the BKU (Ekta) Brings to the Fore the Need to Build a Struggle-Movement of the Peasants**

— by a correspondent

The Bharati Kisan Union (BKU), which came into existence about two decades ago, went through the process of splitting twice and now stands divided into two kinds of streams: (One) is the BKU (Lakhowal) and the BKU (Raiewal), which comprise one kind of stream, and the other is the BKU (Ekta), which represents the other kind of stream. Whatever subjective considerations and designs the leadership might have had, divergent class interests were the real basis of these splits. The leaderships of the two unions comprising the first stream are motivated by the interests of the feudal-landlord class and are protagonists of ruling-class parliamentary politics.

BKU (Ekta) is the outcome of a relentless and protracted inner-organisational struggle waged against the dominant leadership of BKU (Lakhowal) by a pro-peasant faction of activists. This struggle centred around the need: to denounce and make a rupture from reactionary parliamentary politics of the ruling classes; to oppose the leadership's attempt to turn the union into an instrument of communal Sikh politics, in particular the fanatic and terrorist politics of the Khalistanis; to oppose the penetration into the union of landlord usurers working as commission agents; to oppose the attempts of the leadership to marginalise the leading peasant activists whose politics differed from the politics of the leadership, in particular the revolutionary democratic peasant activists and

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the consequent expulsion from the union of seven prominent peasant leaders: etc.

The outcome of this struggle was the BKU (Ekta), which denounces ruling class parliamentary politics; opposes every brand of communalism and communal politics; and provides space to the peasants with variant political views to participate and engage in its activities, so long as they comply with its basic class orientation. Thus BKU (Ekta) is a pro-peasant organisation.

Despite its pro-peasant characteristics and character, however, the BKU (Ekta) has stagnated after a period of time. This situation is the consequence of some inherent weaknesses and limitations of its leadership. While the urgency of tiding over the present stagnation is clear, there is sharpening inner-organisational contention about how to address this task.

### **What caused the stagnation?**

In Punjab, BKU was launched on the basis of an action programme to oppose and correct the adverse terms of trade for agricultural products. From its inception, the union has been projecting the demand that prices of agricultural products should be brought in line with prices of industrial products. Thus, the struggle against the adverse terms of trade for agricultural products was not aimed at reducing the prices of industrial products that are used as inputs in the agricultural sector. The struggle, which left aside the issue of the rising costs of inputs, thus failed to direct its edge against the ruthless plunder by the imperialist-feudal combine which is indeed responsible for the continuously inflating costs of inputs.

Since the adverse terms of trade for agricultural products occupied the central place in the action programme of BKU (Ekta), it could also have carried out widespread anti-imperialist propaganda within this frame among the peasant masses. Instead it merely continuously reiterated the demand within a limited and narrow context for higher prices of agricultural output. As a result, propaganda activities of the union lost interest and appeal for the peasant masses.

Now, in the face of the sharpening economic-political crisis, the peasant masses are increasingly coming under a fresh and sweeping imperial-

ist assault in the garb of the new economic policy. Various economic, political and social issues related to the peasant masses are thus cropping up. New demands are pressing for attention and requiring solution. The rocketing price-rise and the sinking material condition of the peasants has pushed them into a debt-trap of terrible dimensions.

Despite their desperate attempts to pay back their debts by the sweat of their brow, the peasants are finding they cannot disentangle themselves from their debt-traps. Consequently, a new phenomenon, never before heard of in Punjab, of suicides by peasants, is emerging here. The problem of usurers' debts alongside debts to banks is manifesting itself as a pressing problem of unprecedented proportions.

At a time when the peasants of Punjab are being beaten down by increasing land rents, rising rates of interest charged by usurers, shooting prices of agricultural inputs, and the loot by traders in agricultural produce, a new calamity has befallen the peasantry — *viz.* the attack on their crops by insects and pests, creating an epidemic-like situation in the fields. This has pushed not only the poor and middle peasants, but also a section of the rich peasantry (in particular those in the cotton belt) to the brink of auctioning their lands. The lurking danger of the land slipping out of their hands is agitating the peasants acutely.

Consequently, the process of polarisation as between the feudal landlords and the peasant masses is gaining momentum. And the objective situation is becoming more favourable than even before for mobilising the ordinary land-holding peasantry against the socio-political oppression by the feudal landlords, as well as for building a struggling unity between the land-owning peasants and the agricultural labourers.

Along with these economic problems several socio-cultural problems are acquiring new dimensions for the peasantry. The new economic policy is slashing the budget share of the service departments. Consequently, education, medical treatment, transport, electricity, and water supply etc are becoming more scarce and even more expensive for the peasantry. In particular, the increases are unbearable for the poor and middle peasantry. Besides, the quality of these services is daily being eroded. Corruption and bribery are sinking to ever new depths. By dint of the new invasion in the cultural sphere by imperialism, the consumer culture is spreading widely in the countryside and inflating expenditures on mar-

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riage-ceremonies, means of merriment, and forms of entertainment. Social ills such as dowry too are acquiring bigger dimensions. Various addictions are spreading among the peasantry and many kinds of moral degeneracy, conflicts, and quarrels are fast becoming the order of the day in the villages. At the same time, the peasantry, thus buffeted by the all-round crisis, is becoming more and more keen to understand the politics of what is happening to them.

Therefore, the first and foremost task before the BKU (Ekta) is to substitute its present action programme, which is inadequate for the sharpened objective contradictions, with a new and appropriate action programme that responds to the situation.

Indeed, the issue of the adverse terms of trade for agricultural products should be translated into demands directed against imperialist plunder. The exploitation of the peasants through usury and land rent should be specified in the form of demands such that the aspect of opposition to feudal exploitation and oppression becomes an integral part of the BKU (Ekta)'s action programme. The appropriateness of form and the extent of opposition should be determined keeping in view the strength of the union and the level of consciousness of the peasant masses. However, the task of opposition to every form of feudal high-handedness and oppression should get a prominent place in the action programme. In a nutshell, the edge of struggle activities, instead of being directed solely against the government, should be directed also against the forces operating as the tools of feudal exploitation, oppression and discrimination in the countryside.

The action programme of the union should by no means limit itself to mere economic demands. It should also include specific demands opposing privatisation, scarcities, price-rise, and the erosion of quality of services the Government should be responsible for giving, as well as those related to the social and cultural life of the peasantry.

The demands of the most exploited and oppressed section of the peasantry, *viz* the poor peasants, who have a comparatively large numerical strength, should be accorded special significance. This will expand and consolidate the mass base of the union.

Apart from the economic, social and cultural demands and tasks, more significant than this for the action programme are the specifically politi-

cal and democratic demands linked closely with the problems and demands of the peasantry. Thus, articulating the political consciousness of the peasantry should be an essential part of the BKU (Ekta) action programme.

It needs to be stressed that, after delineating the action programme, it is the conviction, perseverance and correct method of work which have a decisive significance in the implementation of the action programme. Otherwise it could remain as a paper programme.

Almost two decades ago, there was a forceful and spontaneous peasant upsurge in Punjab which became then the springboard for launching the statewide Bharati Kisan Union. During that upsurge, a strong political trend emerged among the peasants of forsaking dependence on ruling-class leaders, their parties, and their governments. Furthermore, ruling class leaders and parties became the targets of the peasants' ire and hatred. The boards flashing the warning "Political leaders are prohibited to enter this village!" could be seen at the bus stops and entry-points of numerous villages. At many places, the peasants had forcibly seized the dais of the ruling class parties.

Once the trend of seeking the solution to problems through struggle established its sway over the peasantry — as the alternative to the trend of dependence on ruling class parliamentary politics — for meeting their demands, actions such as gheraoing of government offices and officials and blocking of traffic by the peasant masses in their thousands became a regular phenomenon. In the heyday of this peasant struggle wonderful incidents occurred at some places. Among them were the confining of some government officer visiting a village in a room meant for storing wheat chaff, or the punishing of an official by ordering him to do some sweating hard work, etc.

With the gradual ebbing of this peasant movement and the degeneration of the leadership, this positive trend of seeking solutions to peasant problems on the basis of mass struggles also began to lose vigour. Finally, the dominant leadership of the union turned the union into an adjunct of ruling class parliamentary politics.

BKU (Ekta) has revived a glorious aspect of this peasant movement by waging a relentless struggle against the dominant leadership of BKU (Lakhowal) and rejecting the path of reliance on parliamentary politics

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for the solution to the peasant problems. In the context of the movement of the land-owning peasantry of Punjab, this has been a very significant march of events. Nevertheless much more has to be done to establish this trend even among them. Active and effective rejection of parliamentary politics amounts to the forceful projection of the alternative to parliamentary politics and *the translation of that alternative into practice*. It means that a struggle-movement of the peasantry should be built and advanced by *implementing*, persistently and vigorously, the policy of reliance on mass struggles. Only by firmly grasping this orientation and sticking to it, can the partial gain of having rejected the path of sham parliamentary politics be turned into a conclusive gain.

The problem of building the peasants' struggle-movement and of transforming the union into a struggle-oriented organisation still remains the crucial issue for the rank and file of the union. This has exposed the serious limitations and weaknesses of the union leadership. Struggles have, of course, been waged under the leadership of the union. In some areas, many protracted and praiseworthy struggles have been waged around local demands. Militant forms of struggle have been practised, such as gheraoing of government offices and officials, blocking of traffic, and resisting of police repression at the mass level. But the pockets of such practices are mere islands in the total area covered by the expansion of the union.

Overall, the union thus far is operating as a propaganda-oriented organisation. The prevalent style and method of work is of propaganda and mobilisation to prepare the peasants for mass gatherings around some demands. After holding rallies and demonstrations, memoranda are handed over to the concerned officials, and thereafter the activities come to a stop; such actions are again and again repeated at the tehsil, district and state levels. Moreover, the prevalent method of propaganda and mobilisation to rouse the peasant masses is inadequate. Peasants are approached at the individual level, sending messages from one individual to another, and announcements are made on the village loudspeaker. Such a method of work is ineffective for solving the peasants' problems, spreading political class consciousness among the peasants, bringing new sections of the peasantry under the influence of the union, and expanding and consolidating the organisation of the union. In fact, this wrong method of



work is the most significant cause of the present stagnation. For giving a momentum to the stagnant union, the task of practising the mass line in carrying out propaganda and mobilisation, of building the peasants' own struggle-movement, and to this end transforming the union itself into a struggle-oriented organisation, is crucial. This task thus has a cardinal significance for building the alternative to parliamentary politics.

A seasoned and capable leadership and a consolidated union structure are needed to realise this task. However, BKU (Ekta) has come into existence along with certain inherent weaknesses. Because of the situation of split-after-split faced by the former BKU, the layers of leadership rallying around BKU (Ekta) were weak, and they still are so. Its organisational structure too is thus weak. It is important for the union to overcome this weakness.

This task of ridding the union of its weakness is inseparably bound up with the need to base practice in the orientation of relying on the mass struggles for the solution of the peasants' problems. Without struggles, neither can the present leaders and activists be developed nor can new batches of activists and leaders be prepared.

### **Emergence of the wrong thinking**

An extremely wrong and damaging thinking is raising its head within the union in mistaken response to the problems and weaknesses haunting it. Contention is thus being sharpened among the different understandings. The wrong thinking is based on a wrong conception of the present stagnant situation faced by the union. According to this thinking there is an absence or lack of revolutionary political propaganda among the ranks of the union, whereas the peasants are yearning to know and assimilate revolutionary politics. There is an attempt by this thinking, therefore, to force revolutionary politics down the throats of the peasant activists and peasants on a large scale — on the assumption that this will lead to the spread of revolutionary consciousness among the peasants and hence put the union back on the track of progress.

Such a thinking thus manifests itself in various attempts by its protagonists such as the following: First, airing of revolutionary politics directly from the platform of the union by some of the leading activists who are the followers of such politics; secondly, inviting one of their own

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political persons to meetings and functions even when he does not belong to the union; thirdly, catapulting, by hook or by crook, one of their own political persons to a position of leadership in the union; fourthly, dragging the union itself into 'united activity' with some organisation propagating revolutionary politics and ideology; etc.

### **Distortions projected by the wrong thinking**

How do the peasants generally come to receive and accept revolutionary politics? On this question, the wrong thinking is proving to be extremely simplistic. Actually, the peasants' concern is always centred around their problems. They show keen interest to know the causes and solutions of their problems. Thus, they are interested in knowing and assimilating those elements of political conceptions, promises and phenomena which seem to them concretely and directly related to the causes and solutions of their problems. Advance propagation of general politics proves meaningless, undigestible and tedious for them. Thus their interest in and capacity increasingly to grasp the links between their own problems and the revolutionary politics as well as the integral inter-relationship among the various elements advances in tandem with the advance of their political consciousness.

It happens that often when the peasants seem to be agreeing to one's political argumentation they have not actually assimilated it. This they can do only by testing it on the touchstone of their own experience. Herein lies the particular significance of steering them through the experience of mass struggles linked with their experience of their daily life. Therefore, it is indispensable that the union build the struggle-movement not only for defending the peasants in the face of the daily ruling class attacks but also for inculcating political consciousness among them. However much political propaganda one may otherwise carry on, peasants cannot imbibe revolutionary consciousness unless they have been guided through the fire of mass struggles. Therefore they need to be guided to learn politics by integrating politics with the needs and problems of their mass struggles.

There is a sharp increase in the problems of the peasants as the all-round political crisis is deepening, in particular with the renewed/reinforced imperialist assault in the form of the government's new economic

policies. As a consequence, objective possibilities have brightened for carrying their movement forward. They have thus brightened also for seeding political consciousness among the peasants. However, this does not at all mean that the peasants' way of learning politics has undergone a change and that now the peasants can be imbued with revolutionary consciousness by directly propagating among them revolutionary politics with a higher content.

The advocates of the wrong thinking have given scant attention to these things. With good intentions, but for the wrong reasons, they are bent upon activating the peasants by injecting them with general revolutionary politics through direct propagation — and without any attempt at revealing the linkages of politics with peasant problems by guiding the peasants through the experience of struggles. They are adopting methods which on the contrary have very damaging consequences in store for the prospects of politicising and organising the peasants; and hence also for the prospects of the union.

For example, peasants belonging to BKU (Ekta) were taken to Hyderabad under the pretext of participating in a countrywide gathering of various peasants' organisations which was supposed to oppose WTO. There, the overwhelming presence of communist revolutionaries among the gathering and the dominance of their politics on the stage, was quite obvious. Given its history BKU (Ekta) as well as common peasants would at present have no direct relation with all of this. Similarly, efforts are on to bracket BKU (Ekta) with political platforms which are operating as propaganda centres of communist revolutionary politics and ideology.

### **On the question of united activities**

The followers of the wrong thinking are smuggling in their intent to directly propagate general revolutionary politics by pressing the union into united activities with organisations propagating communist revolutionary politics and ideology. No doubt united activity with other organisations is very much needed for BKU (Ekta). But what should be the criterion of united activities? That is, which organisations come within the ambit of united activities with BKU (Ekta) and which do not? BKU (Ekta) is an organisation without affiliation with any brand of politics. It encompasses persons of various political hues and is concerned with

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peasants' problems. Keeping in mind the specific history of the union (mentioned earlier) and its present level of consciousness, it is all the more important that the union should not be misused as a platform to air one's own particular type of politics, irrespective of whether it is some kind of revolutionary politics or that of ruling class politics.

Thus, presently, there is no ground for BKU (Ekta) to have united activity with any political party or platform. It does not follow from this that the peasant organisation should never come in close contact or come under the leadership of a revolutionary political party. Certainly, it should and would do so, whenever, as a consequence of revolutionary political advance of membership of the peasant organisation in due course of time, the majority of its membership would be in an autonomous position to decide would be in a position to voluntarily decide whether their organisation should or should not be affiliated to the revolutionary political party. But for such a political advance of the peasant organisation, it is an extremely incorrect and damaging step on the part of the leadership to tie it in a knot with any revolutionary political party merely by dint of an organisational decision.

Mass organisations of different sections of the people are already weak in the face of sweeping attacks of the ruling classes. Hence, the dire necessity of united activities for these organisations. The same is true for BKU (Ekta). Therefore, it should strive for united activities with organisations of different sections of the people, in particular, with those of agricultural labourers and land-owning peasants.

The protagonists of the wrong thinking are manifesting a sectarian and pragmatic approach here also. They are attempting to bracket the peasant organisation with some political platform of their preference, under the pretext of united activity, to encash its influence among the peasants in favour of a particular politics. BKU (Ekta) has no ground for united activity with the said platform.

### **On the role of help from without for strengthening the union**

What is the process of development of any organisation, union, or anything else? The answer to this question also exposes the ideological distortion of the wrong thinking. It is a proven and established Marxist premise that internal factors in a thing or phenomenon *provide the basis*

for its development, whereas external factors provide the conditions which *play an assisting role* in its development. It follows that external assistance is redundant until and unless the required internal basis of development of any organisation is prepared. But it does not mean that the peasants can acquire revolutionary consciousness merely through their own experience. Instead, the peasants must be imbued with revolutionary consciousness from without. Here, the significant question is, how the required internal basis should be prepared so as to develop the union further by complementing it with revolutionary consciousness from without.

The revolutionary groups or parties which aspire that the BKU (Ekta) should break its impasse should vigorously propagate revolutionary politics among the peasants from their own platforms, and should educate and inspire them for organisation and struggles. As the number of members, activists and leaders influenced by such education and propaganda increase, giving a boost to struggle activities, the situation would become increasingly favourable for preparing the internal basis for the development of the union. The leadership of the union can guide it to tide over the present stagnant situation by taking advantage of the favourable situation, provided it plays its role appropriately.

But the followers of the wrong thinking are not prepared to put themselves through such a complicated and difficult process. They are making desperate efforts instead to immediately push the union out of its stagnation by some shortcuts of imposing their particular brand of politics on the union.

### **Undemocratic conduct — a central feature of the wrong thinking**

The incorrect political and ideological approach can also be seen in the blatantly undemocratic conduct of its protagonists. The organisational code of conduct of the union is not more than a matter of convenience for them. They feel free to take the liberty to trample on the code of conduct as per their convenience. Since they are convinced that their revolutionary politics is the one which can play the role of a torch-bearer for showing the path of liberation to the peasants, they are quite justified in turning the peasant organisation into a forum for propagating their

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politics even by undemocratic and wrong organisational methods. This thrust is forcing them to adopt methods such as the formation of a fake city unit of the peasant organisation by recruiting some employees, shopkeepers and persons belonging to non-agricultural professions, in order to install a political person from outside the union to a leadership position — even instantaneously catapulting him to the district level team of the union; or, inviting a fellow political leader, not part of the union, to the meetings of its committees at different levels; or declaring that the union would participate in the Hyderabad gathering by agreement between a few of the top leaders, behind the back of the state body of the union, etc. etc.

In fact, the followers of this wrong thinking are unable to grasp that democratic composition and functioning of the peasant organisation havenot only organisational significance but ideological significance too. The peasants come under feudal coercion and discrimination all around in their daily life. They are made to believe in this society that might is right; that, here, everybody is on his own. It is only when they enter a peasant organisation having a democratic composition and functioning that they come to experience for the first time in their lives that everyone is equal before the code of conduct of the organisation; that there cannot be discrimination against anybody at the time of recruitment to membership or election to leadership of the union; that decisions are to be taken according to the interests and opinions of the majority; that nobody is entitled to use the influence and means of the union for his self-interest; and that rights and responsibilities are divided according to the rules and regulations of the union; and so on and so forth. Such a democratic atmosphere within the union and its functioning proves a school and training centre for the peasants. They feel the decisions of such a union to be as their own and they implement them whole-heartedly.

Now, when any union leader belonging to some of the revolutionary political formations blatantly violates the rules and regulations of the union in order to make it an instrument for the propagation and advance of his politics, then the undemocratic conduct of such leaders only reinforces the already prevalent belief among the peasants that discrimination over-rides everywhere and that everyone only grinds his own axe. Thus, as an ultimate consequence of their undemocratic conduct, namely,

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their practice of imposing their politics on the union and violating its rules and regulations, the followers of the wrong thinking tend to cripple the very process of the development of democratic consciousness among peasants and instead they start the process of disintegration of the union.

Now the task of making a breakthrough in the stagnant situation of the union requires, on the one hand, radical changes in its action programme and its method of implementing it, and on the other hand, an irreconcilable struggle against the wrong thinking outlined above. Without fighting out this wrong thinking, the union cannot be expected to come out of the present stagnant situation; rather the danger of splits and disintegration could lurk over the union.

*Nowrangpur, Orissa*

## **Dispossessed Tribal and Dalit Peasants Struggle for Their Land at Chuinmatiguda**

— by a correspondent

### **Background of the Sangh**

Nowrangpur Zilla Dalit Adibasi Chasi and Mulia Sangh was formed in January 1995, as a sister organisation of the Malkangiri Zilla Adibasi Sangh. The main cadres for this organisation were drawn from the struggle waged by the Nowrangpur Gana Sangharsha Samiti against Indravati Big Dam Project. This struggle was fought mainly by the people of submerged area of the Dam. It continued for about five years, from 1989 to 1994. Later it also took up the problem of the Dry Area people (people of the area rendered dry by the Project) and took them into its fold. Though the struggle showed some immediate results in the organisation of the people, and some of the demands were fulfilled by the government (such as raising the compensation amount, giving compensation to the landless in the form of "*hanabasi bhatta*" of about Rs 40,000, and treating every 18-year-old as a separate family for calculation of compensation) the movement could not be sustained.

There were certain inherent limitations. The strength and the influence of the democratic-revolutionary political force there was very limited and the organisation was not basically a class-based organisation. Thus once the issue for which the organisation fought was to some extent solved, it lost its relevance. But the militancy with which this struggle was fought and the repression it faced brought forward some activists with a mass democratic consciousness. Their further development needed a democratic mass *organisation* with revolutionary tenor and with the



orientation for a protracted agrarian struggle.

In preparation for such an organisation, then, the nascent democratic-revolutionary forces there took initiative under political guidance to organise a convention of the fore-mentioned activists and advanced elements. After the convention, taking the Malkangiri Zilla Adibasi Sangh as the model, they formed the "Nowrangpur Zilla Dalit Adibasi Chasi O Mulia Sangh" (NZDACMS) and constituted the organising committee of this Sangh.

Within the very first year of its formation, the Sangh took up the issue of *jamin* and jungle, mainly in Tentuli Khunti block and extending activity upto Dabugan and Jharigan block.

About 500 acres of land belonging to a cluster of villages in Jharigan block had been taken away by the Soil Conservation department. The excuse was that the adivasis and dalits cultivating the land did not have any land records. The Sangh fought against this and occupied all the land through mass ploughing. Such resistance movements spread also to the nearby panchayats and blocks.

Within another year, the Sangh had recaptured about 2,000 acres of land from the forest and soil conservation departments. Apart from this, it also fought against the *sahukars* (money-lenders) who were taking away the land belonging to the adivasis, dalits and poor peasants. This they were doing in the name of leasing in land for raising a commercial maize crop and then displacing the claim of the original holders. As a result of this struggle, another 500 acres of land was restored to the original tenants.

Gradually the Sangh started to become popular. A part of its leadership also extended active help to the January 1996 struggle of the Malkangiri adivasis against the timber mafia. Then, in 1996, the district central office of the Sangh was built at Tarajodi village. This village was the centre of a cluster of villages where the struggle against the Soil Conservation officials had been fought. The Sangh members themselves built the office and it became the centre of all Sangh activities.

Tarajodi belongs to Fupugam panchayat of Jharigan block and this block is at a distance of about 75 km from the district headquarters, viz, Nowrangpur. It is adjacent to Raighar and Umerkote blocks bordering M.P.'s Bastar area. This vast area is populated mainly by Damas (dalits),

Kandhas, Gonds, Paraja, and Bhotudas (tribal sections). By 1997 the Sangh's activities had spread to three nearby blocks, viz, Dabugan, Umerkote and Raighar. It dealt mainly with the questions of the dalits and adivasis and with the demands of the poor peasants pertaining to the land they cultivate, and the community forest they live in. The Sangh raised the slogan that all land alienated or taken away from poor peasants must be recaptured by them.

People from nearby villages began to come to the Sangh's office with their various problems pertaining to land, jungle, wages and to their social and economic life. All the other political forces operating in this area, ranging from the Sarvodayees to the ruling class parties, became more and more irrelevant for even routine problems of the people. The Sangh leadership extended its influence mainly through struggles over many tiny and small and some big issues.

### **The struggle at Chuinmatiguda**

In June 1996, four poor peasants came to the Sangh office from Satihatguda. This village belongs to Chacha panchayat adjacent to Fupugan panchayat. They alleged that a landlord of Dabrimunda village had taken away about 50 acres of land belonging to 15 poor peasants (adivasis and Gouds) through fraudulent means and had kept it under his possession.

This landlord, Bhagaban Goud, was a sarpanch of Chacha panchayat in the sixties. He had managed to take away all this land using his political clout and had been claiming that all this land is his as it has been recorded in his name. The poor peasants who came to the Sangh office provided a certain record which proves that all this land was in the forest category and that Matia Kandha alias Mati Kandha was charged vide case no. 204/54/55 u/s section 55 of Madras Forest Act and Jeypore Forest Rule and fined Rs 27 and 13 annas for occupying and cultivating forest land. (This area was under Madras Province until 1936, then brought under Orissa Province as its sixth district, but kept under the Orissa Governor until 1956.) Similarly, in another case no. 120/54/55, he was fined Rs 100. Thus the land (about eight acres) belongs to the said peasant. Some time back, the landlord took away this land. He also took away, through illegal mortgage, another 40 acres of land belonging to poor peasants

staying at Chacha, Chuinmatiguda, and Goi Chatara villages. All this land is in Chuinmatiguda village. Out of these peasants, Sukhchand Bhatra, Baidyanath Mujhi, Sana Goud, Duryodhan Gouda, Gayo Gouda, Daman Bhatra and Durusai Bhatra have faced similar forest cases and have been punished with fines. Of course, as happens in these parts they have lost the case records.

After receiving this allegation from the poor peasants, the Sangh sent a team led by its two vice-presidents to Satighat Guda for a detailed investigation. After preliminary investigation, the team found that Bhagaban Gouda, the ex-sarpanch of Chacha gram panchayat is a very influential person having about 200 acres of land in four villages — Chacha, Chuinmatiguda, Gabaguda and Thatbeda. Apart from this, he had land in his native village, Gaita Para, in his home district, Kalahandi. His brother, Jaya Shankar Gouda, happens to be an old Sarvodaya worker. (In Nowrangpur district, Sarvodaya workers enjoy considerable political power since this is a “Zilla Daan” region where the Sarvodaya Committee had a large area of land at its disposal in the '50s and '60s. By using both these sources of political power (as ex-sarpanch and as a Sarvodayee), he actually occupied 49 acres of land belonging to the 15 peasants without paying even a single paisa. Both the revenue and forest officials along with police officials helped him in this illegal transaction.

In 1984, Bhagaban Goud claimed that he had *pattas* for this land and compelled the peasants to vacate possession. For three consecutive years, the peasants did not vacate. Bhagat applied goonda forces to occupy the land. Both the parties cultivated the land. But the revenue department applied 144 and 145 Cr.P.C. to the land in favour of the landlord. The original tenants were arrested. Bhagaban cut the crop with the help of the police. The cases continued in Umerkote Tehsil Court for years, and then went to the Sub-Collector's court at Nowrangpur. There was an order for “*serjamin*” (spot) enquiry by the Sub-Collector. The Revenue Inspector and the *amina* who came for the enquiry earmarked 16 peasants, called all of them, and demanded Rs 100 from each. Only one peasant, Jal Gouda, was able to pay them on the spot, and got a *patta* for his two acres of land. The other 15 peasants could give the officials only Rs 200 in all and promised to give the rest within a short time. But as they could not arrange that money they lost the land.

These poor adivasis and a few poor non-advansi peasants ran from pillar to post in the administration and judiciary to get justice, and sold off whatever movable property they had to pay advocate fees. Finally, helplessly, they remained silent. When the Sangh was formed as a struggle representative of the peasants' interests in the locality, the peasants regained their lost hope and came to the Sangh so that justice is achieved.

Thus, after their approach and the aforesaid investigations, people of Chacha, Satighat Guda, Chuimatiguda, Gadgada, Gabaguda and some nearby villages were organised under the Sangh banner. And village level committees were formed.

### **Details of Dispossessed Peasants and Their Land at Chuimatiguda**

1. Late Mati Kandha alias Matia Kandha (his son: Kusum Saanta and his sons: Banabas Saanta, Musei Saanta and Pitabas Saanta) — 8 acres.
  2. Late Sukhchand Bhatra (his son Sobha Bhatra) — 10 acres.
  3. Sana Gouda, son of Dama Gouda — 4 acres.
  4. Duryodhan Gouda, son of Budan — 2 acres.
  5. Gaya Gouda, Dipchand Gouda, Ratan Gouda (brothers) — 12 acres.
  6. Damna Bhatra, son of Padlabh — 2 acres.
  7. Durusai Bhatra, son on Jaya Singh — 2 acres.
  8. Ratha Saanta — 3 acres.
  9. Kuru Saanta — 2 acres.
  10. Parsuram Majhi, son of Baidyanath Majhi — 4 acres.
- Total land — 49 acres.**

### Recent struggle

Towards the end of June 1996, efforts were made for an amicable settlement of the issue. For that purpose a meeting was called in which people of the 15 to 20 surrounding villages participated. Bat Bhagaban Gouda, his brothers and sons did not attend this meeting. At that meeting the Sangh decided to occupy eight acres of land originally belonging to the peasant Banabasi Saanta, who could produce the forest case documents of his grandfather, Mati Kandha. Accordingly, the peasant's land was ploughed collectively by the Sangh and paddy was sown. When the sprouts came out, the landlord Bhagaban Gouda's sons re-ploughed the land, destroying the sprouts. The rightful peasant and his father, Kusuma, along with his brother pitabasa and Mubei lodged a complaint about this at Jharigan police station. But the Officer in Charge (OIC) of the police station did not accept the F.I.R..

On November 12, 1996, when the paddy crop was not yet ripe, the landlord and his son started cutting the green crop. When the peasant and his brothers tried to stop them, they attacked the peasant's family with a range of weapons such as sickle, *tangia* (axe), and *suli danga*, etc. In this attack by the landlord, the peasants Kusuna Saanta, Banabasi and Pitabasa were seriously injured and taken to Jharigan hospital. Two of them could not be treated there and were shifted to Nowrangpur hospital. Pitabasa's hand was broken and head injured. Banabasi's head got a *tangia* injury and his condition was declared very serious. Jharigan police recorded their statement, but nobody was arrested. Finally, a case of simple injury was filed against the landlord's party.

After Banabasi and his family members were attacked by the landlord and were hospitalised, people from about 50 villages were mobilised by the Sangh. They cut the crop and harvested it. A part of the thus-harvested crop was given to the concerned peasant's family, while the rest was distributed among the people. The police appeared at this juncture, seized two bags of paddy at Palia Kandhaguda village, and deposited the same with Hari Saanta.

The same process got repeated in 1997. Both the parties sowed paddy on the same eight acre plot. This time, without taking any further chances, on November 2, the Sangh mobilised about 200 people to cut the crop. But as soon as all of them reached Chuinmatiguda, the landlord Bhagaban

Gouda and his family members along with some goondas attacked the peasants with guns and *langias*. The suddenness of the attack took the Sangh members by surprise and they were compelled to retreat. In this incident seven peasants from Khirpabar, Chacharaguda and Chuinmatiguda got injured. They did not report the attack to the police station as they already had learnt from their past experience that the police would not take any action. After four days of this incident, Sangh people made a larger mobilisation and went to the land where the landlord and his men were harvesting the paddy. There was attack and counter-attack from both sides, but this time, since the Sangh people were well organised with *lathis*, *langias*, *batali*, and stones, they could give a fitting reply to the *sahukar's* guns. Two from the *sahukar's* side were wounded and the rest fled away. The Sangh people took away the harvest and distributed it on the same day.

### Severe police repression

Three days after this incident, at about midnight, police from Jharipada police station came to Chuinmatiguda and Satighat Guda and started full-scale attack on each and every household. They arrested 25 persons, molested the women, and ruthlessly beat Mubei Saanta of Satighat Guda and Dhanmati of Chuinmatiguda. Finally, all the arrested were taken to Jharigan police station at about 3 a.m. and kept in custody for some 60 hours. Not only were they thus illegally interned at the police station, but only one meal a day was served to them, and they were even restricted from responding to calls of nature.

### Militant protest

Eleven days later, when part of the main leadership of the Sangh was underground, on 20th November, a protest rally was organised in front of the Jharigan police station against police excesses and illegal detention. More than 500 people, including 200 women, assembled at about 10 a.m. first at Sarush Bhata, a village two kms from Jharigan. A meeting was held till 12.30 noon, discussing the strategy to be adopted while dealing with the police.

After reaching the police station, people argued with the police: "Why did you arrest our people at the dead of night?" "Why did you destroy

and loot our property?" "Why did you molest and beat our women?" "Why did you detain our people for more than 60 hours?" "Why did you not give proper food to the arrested people?" The OIC, Jharigan, did not have any reply to all these questions. He indeed panicked, because all these questions were hurled at him mainly by the women, who were in the forefront. Very tactfully he called the vice-president, Ananda Garada, and explained that he had done all that on instruction from the Umerkote Circle Inspector, who would be the proper person to reply. He had already wired to him and he would be coming to discuss with the leadership.

### Repression intensified

Within two hours of the gherao of the police station, the C.I. of Umerkote reached the spot with three vehicles full of armed police. The adivasis and dalit peasants were squatting peacefully. No sooner did the C.I. reach the police station than the OIC identified the Sangh leaders, and the C.I. ordered their arrest.

When the police tried to arrest the vice-president, Ananda Garada, people protested vehemently. "How dare you go back on your words!" and "We won't allow our leaders to be interned!" were the slogans they shouted. One hand of Anand Garada was held by the police and the other by the women participants who dragged him to their side. This confrontation continued for half an hour. Then suddenly there was a lathi-charge and blank firing. People, both men and women, were beaten severely and driven away. Fifteen activists were arrested from the police station itself and immediately sent to Umerkote police station. Another vehicle went to Soroush Bhata and seized all the bicycles (35 in all), kept in a cycle shop and near a *bardha* (pond). Even a Rajdoot motor cycle was seized and taken away to the police station.

Again, on 21st November, the police party came to Ranichatar village in the middle of the night and arrested 14 activists, including two women workers. Warrants were issued against almost all the executive body members.

Thus white terror was let loose in the area. It was propagated that anybody belonging to the Sangh would be arrested. The political significance of the Sangh can be seen in the fact that political leaders from all

ruling class parties moved from village to village asking people to give undertakings that they did not have any connection with the Sangh. Even a small section of the Sangh leadership connected with the Sarvodaya organisation spread the rumour that the Sangh people had killed two persons, that Gorkha police had been deployed in all important Sangh villages, that the area had been declared a "disturbed area", that no leaflet should be distributed or rallies held of the Sangh. On the other hand, some advocates took advantage of the panic thus created and collected huge amounts of money from the families of the arrested. Organised attempts were made by the administration and the landlord section to destroy the fighting strength of the Sangh and unity of the people. Bail was not granted by the courts for about 45 days. Another rumour was also floated that all land occupied under Sangh leadership would be re-occupied by different agencies of the government for plantation. All the "*bandha dharus*" (land mortgagees) would do their business again.

### Continuing struggle

But the main leadership of the Sangh did not buckle down. As soon as they came out of prison, they sat again and decided to continue the struggle. A leaflet that was published by both Malkangiri Zilla Adivasi Sangh and the Nowrangpur Zilla Adibasi Dalit Chasi O Mulia Sangh in December 1997, but was held back by a compromising section, was distributed. The Sangh's policy about "*chidini*" and other forms of usury (like *basta lagani*, etc) was declared through another leaflet. Furthermore, struggle was waged for about 150 acres of land in Dandasara village of Hirapur gram panchayat (Raigarh block) against land mortgagees and the same was restored to the peasants. Some contractors were gheraoed in Fupugan panchayat for not paying minimum wages. Re-organisation was taken up at the village level. Cycle marches undertaken from village to village to keep high the people's morale were also successful. In fact, the struggling masses are biding their time with the morale intact.

When this correspondent reached Tarajodi village, where the central office of the Sangh is located, all sorts of rumours were in the air. However, when he asked the first person he met, "Is this Tarajodi?", the answer was a cryptic "Yes". When he asked, "I think the Sangh's head



office is here?", the reply was, "Yes, it is here". He further asked for any Adibasi Sangh member. At this the villager jumped up to reply, "Of course. All the people of this village, beginning from a child to old men and women — everybody here is a Sangh member!" This was the response of an ordinary member of the Sangh when the enemy rumour was that Gorkha police had sealed and were guarding the Sangh office.

On its part now, the Nowrangpur Zilla Adibasi Dalit Chais O Mulia Sangh (NZADCMS) is preparing to sustain and deepen the struggle by putting forward the following demands:

1. The poor peasants of Chuinmatiguda, Satighat Guda and Chacha must be forthwith given back ownership of their land.
2. All the excess land belonging to Bhagaban Gouda should be seized and distributed among landless peasants of the gram panchayat in accordance with the democratic decision of the people.
3. All the false cases foisted on the Sangh activists should be withdrawn forthwith.
4. Immediate action should be taken against the police excesses.
5. The dalits' and tribals' rights over the land and forest should be recognised and should be respected as their basic rights.
6. All the land illegitimately transferred to non-tribals should be given back to the original tenants. In the case of all land under poor peasants' possession, whether the "anabadi" or the "dunger" category, legal "pattas" recognising peasants' right over them should be issued forthwith.
7. All the cycles seized during the Jharigan rally should be returned to the owners, in running condition, merely on description by the owners.

Such is the brief account of the ongoing experience of just one strug-

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gle over one plot of land illegally occupied by the landlord forces. Through this, and many such past and current experiences, the peasant masses of this region are fast realising that under the present political-social set-up, the adivasis and dalits cannot get justice in the courts, from the administration, or through parliamentary political forces. They are also realising that the Sarvodayees, the reformists, and the voluntary agency forces are sure to restrain or ditch the people and their struggles at every critical or opportune moment.

The same experiences are also making the people realise the dire need to develop their own defence network to repulse the attack from their tormentors. They are learning that it is only their (people's) combined strength and struggle under a truly democratic mass organisation with a democratic revolutionary perspective that can win them their rights over their means of production and subsistence — ie the land and the forest.

Only when imbued with the protracted armed agrarian revolutionary perspective, can such a democratic revolutionary mass organisation properly channel people's urges, enthusiasm and struggle energies to building their own defence network. It is incumbent upon the nascent proletarian-revolutionary and democratic-revolutionary forces there to sharpen their ideological, political, practical orientation so as to be able to assiduously the people in building and strengthening such a democratic-revolutionary mass organisation. In this course, the organisation is bound to emerge as a force to reckon with against all anti-people forces in this tribal and Dalit peasant belt.

*August 1998.*

## *Our Legacy*

# **Imperialist Slander Can Never Deface the Revolutionary Image of Comrade Pol Pot**

— *by a correspondent*

Comrade Pol Pot — a brave general of the Kampuchean liberation struggle, a founding leader of the Kampuchean Communist Party and an inspiring leader of the Khmer Rouge guerrillas — finally breathed his last on 15th April, 1998.

Incapacitated by his ailing health and unable to pursue an active revolutionary life, he had been leading a secluded, serene and simple life in his thatched hut in the liberated areas of the Khmer Rouge bordering Thailand. However, for the imperialists and their cohorts he was a living terror, haunting them in their sleep. He had proved to be an insurmountable challenge for the vile imperialist ambitions of domination over Kampuchea.

That is why the imperialists gave top priority to demonising and denigrating Comrade Pol Pot, as part of their frenzied world-wide slander campaign against Marxism and socialism. They accuse him of carrying out a genocide of over a million Kampuchean people. In their world-wide media-blast, full of untruths, outright lies and slanders, they tried their utmost to mislead and convince the people about the authenticity of their charges by portraying piles of human skulls and horrific graveyards. The comprador and landlord regime of Kampuchea continued to depict comrade Pol Pot as the main hindrance in the path of the search for peace in Kampuchea. (For these rulers “peace” is a pseudonym for consolidating their own State power.) That is why all the above enemies of the



Com. Pol Pot in his last days

people were after the blood of comrade Pol Pot. They had been resorting to vituperative and slanderous campaigns to liquidate him politically. They had been hatching conspiracies to finish him off physically. They had been wilfully spreading rumours of Pol Pot's death and portraying his arrest and trial in captivity by his erstwhile guerrilla loyalists, in order to sow confusion among the ranks of the Khmer Rouge guerrillas and to dishearten them. Now, finally, with the death of Pol Pot, the imperialists and their stooges have heaved a sigh of relief.

### **Comrade Pol Pot — a brave revolutionary fighter**

The world imperialist press, which vilified comrade Pol Pot as a great despot, an intemperate fascist and a sadist, and accused him of wilfully murdering over a million or two million people, is rejoicing over his death. But the toiling people and the liberation fighters of Kampuchea very well know that comrade Pol Pot was not a despot or a murderer but a very kind-hearted human being. He had immense love in his heart for the toiling people. He had always shared their joys and sorrows. He had been an unflinching and resolute fighter for their interests, for their emancipation from exploitation and oppression, and for the independence and prosperity of Kampuchea. He was a determined communist leader dedicated to the principles of people's democracy and Marxist theory. He nurtured immense class hatred for all sorts of imperialists, compradors, feudals and other reactionaries. That is why he never, even in the most difficult and trying days in his life, capitulated before the imperialists nor ever got entrapped by their conspiratorial games. He remained true to his beliefs and principles to the last days of his life.

Comrade Pol Pot was born in a well-off peasant family in Kompong Thom in 1928. His family name was Saloth Sar. As a child, he was

fascinated by Buddhism. He was by nature very humble and kind-hearted. According to his elder brother, leave alone killing lakhs of people, one could never think of him killing even one person.

During his student life, Sar came under the sway of patriotism. At that time, the whole of Indo-China was struggling under the leadership of comrade Ho Chi Minh against the yoke of French colonialism. The French left Indo-China in 1956 after tasting bitter defeat in North Vietnam. A feudal-monarchist regime led by Prince Sihanouk occupied the Cambodian throne.

Cambodia was a very poor and underdeveloped nation. Industry was negligible, geared to the needs of the international market, and contributed at best 10 per cent of GNP. Such public investment as there was — such as the railway — financed by the colonial ruler France had only helped French industrial products to penetrate the country's market, not helped to develop Khmer industry. Over 80 per cent of the entire population of the country were peasants subjected to intense exploitation and oppression of the feudals, bureaucracy, and merchants. Peasants relied heavily on moneylenders for working capital, and had to pay interest at rates upto 300 per cent per annum. Part of the rent and usurious revenues sucked from the peasantry were drained out in the purchase of luxury goods by the feudals. Luxury goods constituted half of all imports; with American aid, industrial stagnation was being deepened. An unproductive service and commercial class grew in the cities around the import of cars, refrigerators, radios, and the like.

In these conditions, ideas of serving the people and working for their welfare, along with feelings of patriotism, began to take shape in the mind of the youthful Saloth Sar. While in this turmoil, he emigrated to Paris in 1949 to pursue his studies in electronics.

Paris, in those days, was a bastion of the Leftist thinkers of Europe. The Khmer Students' Association in Paris was dominated by the Left. While in Paris, Sar met other Indo-Chinese communists and soon emerged as a staunch communist fighter. In the early fifties, he returned to Cambodia and worked as a teacher of history and geography while persistently continuing his party activities. In this process, he developed himself as a keen reader, a serious analyst, a deep thinker, an effective debater, a capable organiser, and a determined communist leader unflinching in prin-

ciples and theory but still humble and gentle.

By virtue of these qualities, he was elected deputy general secretary of the Communist Party of Kampuchea in 1962, and, by 1963, general secretary. He remained in this post till 1985.

After the "Great Debate" and "Great Proletarian Cultural Revolution" in China, he clearly demarcated from Khrushchevite international revisionism and became a firm follower of Mao Tsetung Thought. Pol Pot (Saloth Sar) and other leaders of the Communist Party secretly visited China in 1965. During these very years, the Revolutionary Army of Kampuchea, known later as the Khmer Rouge, was developed under his leadership and the first liberated area was established in western Cambodia. By 1970, the Khmer Rouge claimed a force of 4,000 regular troops and 50,000 guerrillas. They and the Cambodian people faced ferocious attacks from Sihanouk's army and police.

In 1965, the American imperialists invaded Vietnam in order to contain the spread of communism in Indo-China and to stall the advance of national liberation struggles of the Indo-Chinese countries. The imperialists wanted to avail of the territory of Cambodia, along with the territories of Laos and Thailand, as their military base. But, due to the intense mass resistance of the Kampuchean people, Prince Sihanouk did not consent. As a sequel to this, in 1970, the American imperialists engineered a coup d'état using the Cambodian army, installed a puppet regime under the leadership of a renegade army general Lon Nol, and dislodged Prince Sihanouk from the Cambodian throne. The Kampuchean Communist Party, under the leadership of comrade Pol Pot, determinedly opposed this imperialist intervention in the affairs of Kampuchea, and intensified armed struggle against the American imperialists and their puppet regime by forging a patriotic united front with the armed forces of the deposed Prince Sihanouk.

In order to drown in blood the war of resistance and for liberation, the American imperialist forces and their war planes wreaked havoc on the Kampuchean soil between 1970 and 1973. Nevertheless, they miserably failed to contain the advancing Khmer Rouge forces. Finally, in April 1975, the United Front armies, led by the Khmer Rouge, captured Phnom Penh, the capital of Cambodia, overthrew the puppet military regime and established the People's Democratic Government of Kampuchea. Com-

rade Pol Pot became the head of this People's Democratic State.

After the victory of the revolution, Democratic Kampuchea had to grapple with still bigger odds and challenges. The American invasion and the widespread aerial bombing (5,00,000 tonnes of bombs, half of that in 1973 alone) had devastated much of the agricultural and industrial production. Aerial photographs by American reconnaissance planes at the time of the fall of Phnom Penh showed that only 12 per cent of the rice paddies had been planted. The entire infrastructure of transport, communications and health services had crumbled. A large number of professionals, experts and doctors had emigrated from the country. To escape the outrageous and widespread bombings, millions of people -- over half the population -- had sought shelter in the cities, particularly the capital city of Phnom Penh, the seat of power of the reactionary puppet regime. Before leaving, the CIA had set up a city-based network of agents for the future (as mentioned by a former CIA operative in Cambodia, Frank Snapp, in *Decent Interval*). The country was reeling under famine, hunger and epidemics, even as there was an acute shortage of medicines and qualified doctors. Coping with the more than 18 lakh refugees glutting the capital city constituted the biggest problem. According to a USAID estimate, at the time Phnom Penh fell to the Khmer Rouge, there was only food left for feeding the city's population for *six days*. A U.S. intelligence report of June 1975 claimed that a million people were bound to die of starvation within a year (out of a total population of about seven million) because there was simply no food for them. Arranging adequate rations for such a huge displaced refugee population was a momentous task.

On the other hand, the international situation at the time, too, was not favourable. The victorious Kampuchean revolution could have expected the most resolute moral, material and political support from Mao's socialist China. But by the time the Kampuchean revolution achieved victory, comrade Mao was ailing and grappling with the problems stemming from his old age. With his end nearing, a bitter struggle for power had erupted between the revolutionaries and the revisionists. (A year later, comrade Mao passed away and the revisionists gained the upper hand in the ongoing power struggle. It is noteworthy that when, in early 1976, Deng Xiaoping fell from power and the revolutionary forces in China

were briefly ascendant, the Kampuchean communists hailed this event.)

At that time, too, the two super-powers — the U.S.A. and the U.S.S.R. — were at the peak of their struggle for hegemony over the world. The ignominious debacle of the American super-power in Indo-China had created a favourable situation for the U.S.S.R. in this region. The Vietnamese Communist Party, which had been waging a valiant struggle against the American imperialists since the days of the liberation war, had come under the ideological-political influence of the U.S.S.R. revisionists. With the connivance of Soviet social-imperialism, it was entertaining ambitions of establishing a federation of Indo-Chinese nations under the tutelage of the Soviet super-power. Laos and Kampuchea were to occupy a subordinate position in this federation. But the consistent and resolute ideological-political positions of the Communist Party of Kampuchea and its general secretary Pol Pot, clearly demarcating from Soviet revisionism and characterising it as social-imperialism, was the main obstacle in the way of the Vietnamese Communist Party its overlord realising their dreams.

Thus the new-born Democratic Kampuchea faced the gigantic task not only of putting the economy on the rails, rehabilitating the refugees, and consolidating the People's Democratic State; it had also to decide whether these tasks were to be accomplished by accepting the hegemony of Soviet social-imperialism and relying on the political and material support of this super-power, or by pursuing a path of building a self-sustaining economy and relying on its own people.

The former course assured greater economic aid in the immediate context but extracted a bigger price in the long run. With the adoption of this course, Kampuchea ran the risk of becoming a neo-colony of Soviet social-imperialism instead of becoming a genuinely independent People's Democratic State.

The second course was fraught with even more difficult problems and challenges. It demanded huge sacrifices and a long-drawn-out struggle. It led to an immediate confrontationist course between the weak and problem-ridden Democratic Kampuchea and the Soviet super-power and its lackey (the Vietnamese regime). However, this course of self-reliance was the only course which, though full of sacrifices, could ensure the development and stability of people's democracy in Kampuchea.



The Kampuchean Communist Party led by comrade Pol Pot, braving the huge dangers and challenges, daringly decided to pursue the correct, second course. Of course they must have committed mistakes while following this correct course. (Apparently, they also managed to restore the devastated agrarian economy, including the irrigation system, at remarkable speed.) Had they been allowed enough time, they would have rectified their mistakes and overcome the gigantic problems by relying on their correct line.

Unfortunately, People's Democratic Kampuchea, under the leadership of comrade Pol Pot, could not get enough time to pursue this correct path. With the active connivance of Soviet social-imperialism, the Vietnamese government invaded Kampuchea in December 1978 with over 2,00,000 troops armed with Soviet weapons, and occupied the capital Phnom Penh. They imposed a puppet regime over Kampuchea. In such a situation, Pol Pot had to retreat to his base area in the forests of Western Kampuchea.

The Soviet imperialist super power and its lackey, the Vietnamese government, in order to justify their reactionary act of blatant aggression over Kampuchea, chimed in with the American imperialists' characterisation of comrade Pol Pot as a great despot and authoritarian ruler. They added their weight to the blatantly fabricated stories of the genocide of lakhs of people.

At that time, the American imperialists, in their own interests and as part of their sharpened contradiction and confrontation with the Soviet super-power, had opposed this act of aggression over Kampuchea by the Vietnamese government. Nevertheless, the American imperialists in their heart of hearts were equally rejoicing over the seeming defeat of Democratic Kampuchea and were assessing the possibilities for their own re-entry into Kampuchea.

Despite pouring in two lakh well-armed troops in combat with relatively small Kampuchean forces, the Vietnamese were unable to stabilise their rule. The Khmer Rouge had faced heavy losses in the first Vietnamese blitz. But by 1980 it was reported that around 55,000 Khmer Rouge guerrillas were active throughout the country, and a population of 1.3 million lived in the liberated areas. Vietnamese-puppet administration did not exist below the district headquarters level. The puppet regime set up

by Vietnam was so weak that it was widely assessed that it would collapse the moment that Vietnam removed its troops.

From then on to this day, the international situation has undergone innumerable unfavourable changes hindering the speedy advance of the Khmer Rouge movement. But the reality remained that the present government of Kampuchea, under imperialist patronage, could not dislodge the Khmer Rouge from their base areas. Though many of his well-known erstwhile comrades parted company with him in the face of the immeasurable hardships in the mosquito- and malaria-infested jungle life, virulent slanderous campaigns on an international scale and the prospects of the war further continuing, yet Pol Pot steadfastly persevered on the path of struggle, remaining ever firm in his ideals, principles and beliefs. To his last, he remained a source of inspiration and guidance to the Kampuchean revolutionary struggle.

But repeated attacks of malaria sapped his vitality. He was thus chronically ill. He therefore voluntarily relinquished all party responsibilities. However, this in no way diminished his authority or influence in the party affairs. The imperialist powers, under the auspices of the United Nations, made umpteen attempts at "restoration of peace" in Kampuchea. But they could not succeed in drawing the Khmer Rouge on to the opportunist parliamentary path and abandoning the path of armed struggle. The imperialists had to reconcile themselves time and again to the harsh reality that no genuine peace in Kampuchea was possible without the involvement of the Khmer Rouge.

With the disintegration of the social imperialist Soviet Union as a State and its decline as a super-power, the ambitions of the American imperialist super-power for establishing world hegemony have grown manifold. The possibilities of getting a foothold in Indo-China thus seemed to it to be brighter. In this changed context, America and the ASEAN countries in 1992, in an attempt to lure and tame the Khmer Rouge, agreed to involve the Khmer Rouge in peace talks to be held under the auspices of the United Nations — mainly an organ of the U.S. super-power. The U.N. proposals urged the Khmer Rouge to opt for a poll process and relinquish the path of armed struggle. This was unequivocally rejected by the Khmer Rouge.

Afterwards, in 1993, the Khmer Rouge boycotted the Kampuchean

elections held under the supervision of the United Nations. From then onwards, the imperialists and their lackeys have been conceiving the Khmer Rouge and its leader comrade Pol Pot as a big hindrance in the path of accomplishing their designs. They have therefore been vociferously trumpeting all the rotten slanderous rubbish that earlier used to be blared by the Soviet social-imperialist super-power and its Vietnamese stooges.

### **Pol Pot — an admirable personality**

Why did the imperialists and their henchmen, despite vicious propaganda campaigns and various intrigues, fail miserably in discrediting Pol Pot in the eyes of the Kampuchean toiling masses and in isolating him from the Khmer Rouge guerrillas? This question has, time and again, eluded and baffled the bourgeois intellectuals and mediemen. The bourgeois journalists, who were quick to denounce him as a despot and murderer, often sought to explain this phenomenon in terms of his individual traits and merits.

When, in 1996, the imperialist press had declared him dead and even published obituary notes on him, an American journalist, Frank Gibbon, while commenting on Pol Pot, in an article entitled "A Murderer of Two Million People", published in the well-known magazine *Time*, began his article by declaring that the "people long acquainted with Saloth Sar (Pol Pot) describe him not only as an admirable human being and a suave teacher but also as an extremely charming and fascinating personality. He has all the ingredients of a charismatic leader." Newsweek, while labelling him as "one of the century's great villains", also admitted that "the few westerners who have met him over the years invariably came away impressed by his relaxed manners, his shy smile, and soft, confident voice. He seemed a very gentle man."

An American author, David Chandler, has written a biography of Pol Pot. This book, entitled *Brother Number One*, was published in 1992. Chandler writes that all Pol Pot's comrades and the peasant masses affectionately and reverently addressed Pol Pot as "Brother", and he cherished it very much. According to the author, Pol Pot had an immense conviction in his theories, principles and beliefs. He had firm faith that the future of Kampuchea lay with the Khmer Rouge. Chandler describes

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him as "eloquent but unpretentious, honest, humane, easy to befriend — upto a point — and easy to respect." But Pol Pot was extremely strict in matters of organisational principles and policies. According to Chandler, if after his ouster from Phnom Penh, Pol Pot succeeded in establishing a firm foothold in western Kampuchea, it was because of the importance he gave to the task of consolidating the organisation.

The physical condition of Pol Pot had been deteriorating for the last two years. Due to an arterial contraction, he had also not been mentally alert in his last days. Those were the days when the imperialist press published juicy stories about his arrest and trial in captivity at the hands of a section of Khmer Rouge guerrillas. But the Khmer Rouge radio broadcasts neither confirmed nor contradicted such stories. Nor did the bourgeois mediemen give details of the charges against Pol Pot.

No doubt, the imperialist press flashed such stories with the sole and ulterior motive of character assassination of comrade Pol Pot. He remained firm in his principles and beliefs to the last despite his grave physical and mental health. It seems likely that some section of the Khmer Rouge, by posing as anti-Pol Pot, was attempting some sort of reconciliation with the American imperialists and the comprador Kampuchean regime. With time, the truth will be known.

### **The slander campaign and the reality**

Over the years, the imperialist propaganda machine has been churning out vicious canards about how Pol Pot, during his 'authoritarian' rule of three and a half years, murdered more than a million Kampuchean people. Later this figure was revised to two million. These wild accusations are sought to be corroborated by depicting a heap of human skulls and some horrifying graveyards. (These were collected and arranged by the Vietnamese occupying army over *six months* after its invasion, and displayed to select foreign journalists invited for guided tours by the puppet regime.) The American imperialists have indicted comrade Pol Pot as a war criminal, but they never bothered to corroborate their accusations through an independent and neutral international probe. Actually, they would be scared of any genuinely impartial probe as it would not only expose their lies and concoctions but also their own massive crimes and killings.

Nonetheless, some independent intellectuals tried to dig into these imperialist allegations. One such attempt was made by the well-known American intellectual Noam Chomsky and his associate Michael Vickery.\* Chomsky and Vickery tore the imperialist canards to shreds and contended that nobody knew for certain how many people died under the Pol Pot-led regime, as there is no empirical evidence or census data available to date. They further argued that even if the claim of one million people killed were taken at its face value, it was not Pol Pot but the American imperialists and their puppet Lon Nol regime who were to blame for this orgy of mass killing.

From 1970 to 1973, during just three years of the Kampuchean resistance movement, the American imperialists rained five lakh (half a million) tonnes of explosives over the villages, cities and fields of tiny Kampuchea to suppress and crush the resistance. During 1973 itself, American bombers conducted 160 air-raids over the villages and towns of Kampuchea and dropped 240,000 tonnes of bombs and explosives — around 35 kilos of explosives per each Kampuchean man, woman or child. More than five lakh (half a million) people died as a result of this bombardment. The entire infrastructure of agriculture, transport and communications was devastated. More than 18 lakh (1.8 million) terror-stricken villagers (out of a pre-war countrywide population of around seven million) migrated to the capital Phnom Penh to escape these bombing raids. More than three lakh people died of famine, starvation, and the resultant diseases. Hence, subtracting the above, the number of people who died in the civil war before and after the victory of the revolution and as a result of brutal Vietnamese aggression and the Kampuchean resistance struggle against this aggression would be approximately two lakh (2,00,000). Even among these two lakh people, a large number of them died under the tyrannical violence perpetrated by the mercenaries of the puppet Lon Nol regime and the Vietnamese aggressors. And for a

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\* Also see: *After the Cataclysm* by Chomsky and Edward S. Herman, in which the authors have shown in great detail how faked interviews, faked photographs, and other manipulated evidence were deliberately blared through the Western media to damn Democratic Kampuchea, whereas all positive evidence (eg. accounts of visitors to Kampuchea) was suppressed by the same media.

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part of these deaths, the armed forces of Prince Sihanouk, an ally of the Khmer Rouge, would certainly be responsible. So, even if one were to accept the unsubstantiated figure of one million deaths, the number killed by the Khmer Rouge forces would be restricted to a few thousands of people.

So, according to Chomsky and Vickery, the harsh reality is that for the killings of lakhs of people in Kampuchea, the real and main culprit is American imperialism itself. The very American imperialism whose innumerable crimes against humanity, from Hiroshima and Nagasaki to Korea, Indo-China, Mozambique, Somalia, etc are living testimony of imperialist savagery and which, even today, is undoubtedly responsible for the death of six lakh innocent children in Iraq.

### **The revisionists are not lesser culprits**

In their world-wide slanderous campaign against Marxism and socialism, the imperialists and their lackeys have unleashed a propaganda offensive against people's democratic and socialist systems and their creators and leaders. The revisionists, who have got stuck in the bourgeois quagmire of "social-democracy" after deserting the theories of armed revolution and the dictatorship of the proletariat (which ensures all-pervasive and broad democracy for the toiling people), often go to the extreme of denouncing all such armed struggles that aim to establish the dictatorship of the proletariat or of the toiling people by smashing the class rule of the landlords and the capitalists. They go to the extreme of denouncing all such activities of the erstwhile socialist countries as were directed against the capitalist-roaders for defending and consolidating the socialist State. That is why the revisionists despise the revolutionary leaders who wage a relentless struggle against the revisionists masquerading as Marxists. That is why comrade Stalin, who inflicted heavy blows on revisionism, was a ruthless dictator in the eyes of these revisionists; and comrade Mao, who during the Cultural Revolution launched severe attacks on revisionism, was denounced by these revisionists as a protagonist of violence. This is all the more true in the case of comrade Pol Pot. The Vietnamese government, which launched an aggression

over People's Democratic Kampuchea and imposed on it a puppet regime, was, in reality, an extension of the bloody clutches of the imperialist super-power, the Soviet Union, wearing the garb of socialism. This imperialist power unleashed an utterly treacherous, concocted and thoroughly slanderous propaganda offensive against comrade Pol Pot in order to justify its unabashed aggression. The other revisionist parties throughout the world followed suit in spreading these canards.

In the changed present world context, the American imperialists and their lackeys are trumpeting the same rubbish more ferociously and loudly. It goes to show that the revisionists and the imperialists have not only a common cause in opposing the communist revolutionaries, people's democracy and proletarian socialism, but they also agree on utilising all conceivable, legitimate or illegitimate, means to denigrate their enemies.

### **Class angle constitutes the basic demarcating criterion**

Whether Pol Pot was a murderer of the people or whether he was their friend and comrade is a question that cannot be settled by some stray facts and figures. It can be resolved only on the basis of a class angle from which these facts and figures are to be ascertained and analysed.

Seen and adjudged with the class angle of the imperialists, capitalists and landlords, Pol Pot would no doubt turn out to be a murderer and a despot because he led a movement which was aimed at confiscating the private property and seizing State power from the imperialist-comprador elements, feudal lords and bureaucrats in Kampuchea. Judged from this class angle, the seizure of private property of a person, however exploiting and anti-people he may be, is considered an act of banditry and high-handedness by the ruling classes. Imbued with this class angle, the imperialists and their lackeys had accused the Bolsheviks in Russia as "red devils" and the soldiers of the red army in China as "red bandits". Likewise, the Naxalite revolutionaries in India are proclaimed to be "dacoits" and "extremists". These very imperialists, on the other hand, have been waging the most horrible and cruel wars and butchering human be-

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ings in order to ruthlessly exploit labour, to subjugate the backward countries and defend their own imperialist empires; yet they heralded these wars as just wars in defence of "civilized society" and "democracy".

Quite to the contrary, Pol Pot was a guide and a brother of the labouring people because he fought to his last for their essential interests. In the words of one former Khmer Rouge soldier quoted in *Time* magazine, "The people found him very kind, I mean the poor people." He struggled for emancipating the toiling people from the yoke of exploitation and oppression and for ushering in a life full of dignity and hegemony of the toiling people. He fought for the liberation and the sovereignty of Kampuchea. One of the reasons why he struggled selflessly till his last days was his unbounded love for his people, his immense faith in the people.

Today, when even after the demise of comrade Pol Pot, the imperialist propaganda machine is bent on projecting his highly attractive and revolutionary personality in a distorted manner and is misleading the common people about him, it is the bounden duty of the revolutionary fraternity to project his revolutionary fighting features. They must project his resolute and firm revolutionary conviction which did not crumble in the face of even the reversal of revolution in China; which did not falter even when his erstwhile friend and ally, the Vietnamese Communist Party, betrayed him and stabbed the Kampuchean revolution in the back; which kept him on the correct path when unfavourable factors for the Kampuchean revolution continued to grow and blighted even the international situation; and which did not shake even in the face of highly vituperative and slanderous imperialist campaigns to discredit and denigrate him. Instead, it made him stick to his theories, principles and line and to the path of armed struggle. It was this revolutionary conviction of comrade Pol Pot which in the face of setback to the revolutionary struggle, made him retreat but never yield. And he did not yield till his last.

Today, when the imperialist slanderous propaganda against comrade Pol Pot is going on in full swing, it is not an opportune moment to evaluate and propagate the mistakes committed by comrade Pol Pot. In this context, we should keep in mind the words of comrade



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Pol Pot which he addressed to his biographer during an interview. According to his biographer, Chandler, when he asked Pol Pot whether he made any mistakes, Pol Pot's eyes grew wet and, after a pause, he murmured:

"Yes, I did make mistakes.... But I never committed those mistakes which the American imperialists are propagating, nor did I commit those mistakes which the American imperialists wanted me to commit."

The above words of Pol Pot make it amply clear that, in the course of revolutionary practice, he made some mistakes. But he never made those mistakes of which he is accused these days. In the last days of his life, in an interview given to a correspondent, excerpts of which were later broadcast over B.B.C., he said confidently and firmly that his conscience was absolutely clear regarding such accusations. The second important point that he made in the earlier quoted reply to Chandler meant that he never committed the mistake of yielding to imperialist pressure. The entire life of Pol Pot corroborates the truthfulness of these words of his.

In future, when the world revolutionary movement gains ascendance worldwide and as a part of it, the Kampuchean liberation movement surges ahead, then the misty clouds of concocted imperialist propaganda shall disappear. Then the personality and image of comrade Pol Pot as a real revolutionary hero of the people will shine ever more brightly.

Emulate and inculcate the revolutionary virtues of comrade Pol Pot!

[Some of the quotations in the above article have been re-translated into English. Hence there may be slight discrepancies with the original.]

## *As Imperialist Onslaught Intensifies* **Third World Peasants Intensify Their Struggle for Land**

The vast majority of the people in the Third World are peasants. In many Third World countries, no doubt, vast numbers of peasants have been displaced from their land by economic or political force, and seek some sort of subsistence in urban under-employment; but even such displaced sections long to obtain land to till. That longing is getting even sharper as crisis-ridden imperialism steps up its squeezing of the Third World.

By reducing the real wage (via price hikes), whittling away at the working people's share of the social product (cutting even minimal social welfare measures), and finishing off various avenues of livelihood other than land, imperialism's onslaught in fact *heightens the land-hunger of the landless*.

At the same time, by depressing agriculture's terms of trade, cutting off bank credit to peasants, hiking input costs, and opening domestic agricultural markets to competition from highly subsidised produce of the imperialist countries, the onslaught *threatens the economic survival of small and middle peasants*. Both these trends are visible in the world today.

### **Latin America**

Apart from the armed struggles being waged in the Philippines, Peru and Colombia, which centre around the question of land, the land question in the Third World is getting manifested in a number of upsurges which are under amorphous leaderships, or are even spontaneous.

In Brazil, the Movimento Sem Terra (Movement of the Landless) has developed suddenly over the last five years, organising hundreds of occupations of the land of big landlords. The MST is now reported to have five thousand "organisers" and several hundred thousand sympathisers and activists. It is estimated that five million people are involved in the movement throughout Brazil. It has braved landlord and state repression, one instance being the massacre in May 1996 of 19 peasants in the Brazilian state of Para. The MST is reported to have wide public sympathy in Brazil.

Equally prominent is the movement in Chiapas, Mexico, led by the Zapatista National Liberation Army (EZLN). The EZLN led the uprising of January 1994, targeting the U.S.-imperialist project of the North American Free Trade Agreement as well as landlord rule in Chiapas. That historic event set off a great churning in Mexican society, sparking off a series of land struggles in various other states. Six weeks after the Chiapas rebellion erupted, a spontaneous movement took place in the Mexican state of Oaxaca, where 4,000 Indians took over 13 public buildings in coordinated actions, demanding more land, more public-works projects and suspension of their debts to local banks. Similar spontaneous events were witnessed in several other central and southern Mexican states, involving "tens of thousands of people", according to *Time* magazine. One of the agitators explained: "We are not Zapatistas, but the poverty is the same. The land must be for the peasants, not for the *caciques*." Another organisation, the People's Revolutionary Army — EPR — is reportedly carrying on a 'guerrilla struggle' in half a dozen states of Mexico. A western business magazine quotes a priest in the EPR-influenced territory as saying that "90 per cent support the guerrillas in their heart.... if the Government does not act soon, this place will explode."

The big landlords of Chiapas have spent the past four years trying to uproot the Zapatista threat to their hegemony: at a conservative estimate, some 300 peasant supporters of the EZLN have been butchered since then. At least 4,000 were forced to flee their homes in fear in 1996, and twice that in 1997. On December 22, a landlord army massacred some 45 peasants in the village of Acteal in Chiapas, for the crime of being Zapatista supporters. Despite the terror, Chiapas peasants demonstrated against the crime on January 12, 1998; the police fired, killing a woman

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demonstrator; two days later thousands assembled once again to protest the firing.

The 1996 peace accord with the Mexican government had promised “autonomous municipalities”, but it was never implemented. Now the Zapatistas have gone ahead with the establishment of such “autonomous municipalities”, ousting officials of the ruling party PRI and setting up some form of self-rule. By June 1998, these accounted for roughly one-third the municipalities in Chiapas. Naturally, the government has promptly attempted to suppress this. In June an army-cum-police column attacked villagers in Chiapas, resulting in the death of eight villagers and two members of the army/police. A little earlier, in the village of Guerrero, the army had come upon a group of 14 rebels, and killed 12 of them; evidently the practice of ‘encounters’ is not limited to India. In June villagers once again organised a demonstration to demand punishment for the organisers of the December massacre. And when police killed a girl in custody, and pronounced her death a suicide, the people of her village took several officials hostage for a day.

### Bangkok

A different type of demonstration took place on June 24, 1998, in Bangkok, Thailand. We do not have detailed information on this event, but it is reported that 50,000 Thai peasants flooded into the capital with demands that included a moratorium on their bank debts, measures to ‘rehabilitate’ farmers, and various measures relating to specific problems of farmers. Whatever the nature of the leadership, the unusually large gathering and spontaneous expression clearly reflect the acute economic distress being faced by peasants since the eruption of the crisis in South-east Asia nine months earlier. Agriculture’s terms of trade are bound to have worsened dramatically since September 1997 (see article on Japan and the world economy elsewhere in this issue), and it is quite likely that peasants are afraid that they will not be able to hold on to their landholdings. (A village chief from a north Thailand village told the *Wall Street Journal* [12/11/97] that after the onset of the financial crisis “Prices are going up for everything, but we’re making less money.” The article notes that the village no longer has access to interest-free loans for fertiliser and other inputs. “The result: village debt shot up to nearly two million baht

(\$52,300).” Peasants worry that they may not be able to repay their debts. “I’m right on the edge”, says one peasant.)

While peasants are responding to the imperialist onslaught by stepping up their struggle for land or their struggle to defend their lands, the imperialists are equally insistent that land distribution not take place. Redistribution of land is no doubt necessary for creating a dispersed market yielding low profit margins; but the imperialists want the exact opposite — a narrow, rich market, capable of yielding them high rates of profit. Moreover, they worry that land distribution will awaken social forces over which they have no control. Examine, for example, the developments in Zimbabwe.

### Zimbabwe

The land question in Zimbabwe is of a near-unique nature. In 1890, white “pioneers” from South Africa marched in, defeated the African ruler and grabbed the land. White settlers robbed still more land through the land acts of 1930 and 1969; indeed, much of the land was seized after World War II.

It was hunger for land that fuelled the armed liberation struggle of the 1970s. And land was a central issue at the 1979 talks at Lancaster House, London, that paved the way for the transfer of power to the erstwhile guerrilla leadership.

In 1980, the country’s name was changed from Rhodesia to its African name of Zimbabwe; but little else changed, except that a small section of blacks joined the predominantly white elite. Once in power, the new leadership made a mockery of their earlier promises. Since ‘independence’ in 1980, white settlers have been paid market rates for three million hectares of their land, on which 62,000 families have been settled (many of these being associates and family members of President Mugabe and his party leaders). But even today, 4,500 white landlords own 11.2 million hectares, more than half the country’s land! Meanwhile, eight million black peasants survive on the remaining 40 per cent of the land, much of which receives little rainfall. (The population of Zimbabwe is 12.7 million, of which less than two per cent is white.) The giant estates of the whites account for 14 per cent of the country’s GDP and 40 per cent of its exports.

In 1989, Mugabe shelved his empty socialist rhetoric and openly embraced free-market policies. In 1992, he embarked on an IMF package, replete with privatisation and cuts in health, education, and social services. Per capita GNP fell six per cent between 1985 and 1995. Annual inflation averaged 21 per cent during that decade. Inequality is appalling: even by *official* estimates, the lowest 60 per cent of the population accounted for just 20 per cent of the income, while the top 10 per cent accounted for about half of the income. Between 1990 and 1998 real wages (ie the value of wages after accounting for inflation) fell by one-third.

Under IMF rule, the terms of trade of Zimbabwe's exports worsened: taking 1987 = 100, by 1995 the index had fallen to 84. External debt in 1995 was \$4.9 billion, closing in on the figure for GNP. External debt servicing took away about \$600 million a year — that is, nearly half of government expenditure, and more than the income of the poorest 40 per cent of the population.

Amid such conditions, and with unemployment *officially* put at 33 *per cent* of the workforce (and in fact much higher), it is only natural that Zimbabweans saw their only security in having land of their own to till.

Social unrest, particularly over the question of land, immediately sharpened. A nervous Mugabe tried to divert the people by passing the 1992 Land Acquisition Act, giving the government powers to take over land without compensation. At this point, the British government intervened, offering to fund compensation for take-overs of land, but only in cases of voluntary surrender of land. (In fact the hypocritical British offer was tied up with further, deliberately vague, conditions: the re-settlement schemes must be “economic”, “increase productivity”, and “benefit the poor” — all of which can be subjectively assessed so as to allow the British to reject claims.)

The mood of the Zimbabwean masses meanwhile placed further pressure on Mugabe. For example, in early October 1997, there was a large-scale strike by thousands of black farm labourers, demanding wage increases. The 3.5 lakh-strong black farm labourers employed mostly on white-owned farms are the largest sector of the labour force. They receive about \$30 a month as pay, with which they feed their families (in all about two million people).

The farm labourers' strike, under the leadership of the General Agricultural and Plantation Workers' Union of Zimbabwe, was reportedly the first such major action since independence. It began as a peaceful walk-out, but "When white farmers initially rejected demands, thousands of striking workers poured from eastern Zimbabwe into northern and central farm regions, calling out fellow workers, then finally attacking and ransacking white homesteads, smashing machinery and equipment and even pulling up crops. Riot police and armed helicopters were employed to halt the near-revolt. After a three-week strike, the farm labourers won only a relatively small wage increase..." (William Pomeroy, *New Age*, 23/11/97)

This new militancy was fuelled by the worsening conditions under 'structural adjustment'. After violent street protests in August 1997, Mugabe, in desperation, announced the setting up of a \$165 million fund for the payment of compensation to 50,000 veterans of the country's independence struggle. This, however, was to be funded by further taxing the poor of Zimbabwe via fuel and electricity surcharges and an increase in sales tax. Even the usually rubber-stamp parliament dominated by Mugabe's party rejected this plan on November 27, 1997. The next day Mugabe imposed the plan by emergency decree (however, the fuel and electricity surcharges were substituted with plans to sell off public enterprises).

At the same time, on November 28, 1997, Mugabe announced that 1,503 farms, accounting for nearly half the 11 million hectares of white-owned land, would be expropriated after the harvest in mid-1998 and given to "a new class of black commercial farmers". Suddenly, everywhere that Mugabe went, land reform became the main topic of his speeches. His promises, 18 years too late, were greeted with cynicism from the people. By the time the World Bank finally released its \$60 million instalment of Structural Adjustment Credit on December 24, it was a clear sign that Mugabe had already shelved the plan. The IMF completed the plan's burial by placing conditions as it released \$100 million in the first week of January 1998.

In January, shortly after the IMF representative departed, urban streets erupted once again with attacks on stores, where the workers and unemployed took away their basic needs. The street-fighting coincided with a

strike call by the Zimbabwe Congress of Trade Unions against the government's economic policies. The government responded with massive force. Not for nothing had Zimbabwean military expenditures continued to grow under structural adjustment, when social expenditures declined. Forty thousand troops, backed by armoured cars, patrolled the streets and attacked the workers' colonies with great brutality. Six people were killed. The masses did not remain suppressed long. On June 1, the IMF approved a \$175 million standby facility. Shortly thereafter, there was unrest as student demonstrations called on Mugabe to quit. A worried Mugabe reintroduced some price controls on maize meal in June.

But it is ultimately events in the countryside, where 70 per cent of the people live and labour, that will determine the course of things to come. In June 1998, giving Mugabe no respite, the countryside was rocked again. As yet not a single farm has been forcibly acquired, bought, or even assessed by the Government for acquisition and redistribution. The British right-wing business magazine, the *Economist* (27/6/98), gives the following account:

"...last week, people living in Svosve's communal area took the president's promises (to seize and redistribute land) to heart — and acted on them.

"Svosve is one of the country's most rocky and barren regions. In the past week as many as 4,000 peasants have trekked some 30 kilometres (18 miles) to stake their claims on four sprawling white-owned farms, designated for resettlement, in the fertile Marondera area, about 70 km east of the capital, Harare. Carrying their belongings on their heads and on bicycles, they have set up camp on the farms.

"The people claim they are returning to the land of their grandparents. Some show grinding stones at which their grandmothers laboured. Others point to graves where their ancestors are buried. 'We are not squatters', said one of their leaders. 'We are Zimbabweans on our own soil.' The invasion is organised by ex-guerrillas who fought to end white minority rule and win back the land that white Rhodesians seized from the blacks....

"But Mr Mugabe's plans have changed. His fiery oratory, and subsequent publication of a list of 1,500 farms to be nationalised, unsettled the western donors whom he hoped would fi-



nance his latest bid at land reform. With Zimbabwe's economy already in a shambles, Mr Mugabe has little alternative but to assure the IMF and others that his government would carry out a carefully planned and orderly resettlement, paying full respect to the rights of private property.

"So the government ordered the peasants to leave the farms. They refused, unless the government promised to resettle them on the same farms later on. The government hastily launched a new, 'accelerated' programme. But this would resettle only 183 families this year — a small fraction of the Svosve squatters who would have to join a queue of hundreds of thousands of other land-hungry peasants.

"Mr Mugabe, increasingly unpopular in urban areas, has ruled out using force against the peasants, usually his loyal supporters. But he needs to do something: if the Svosve invasion succeeds, peasant farmers from all corners of the country would swarm over commercial farms, making it impossible to compensate dispossessed farmers or give any order to the reform."

Another report (New York Times Service) in July shows that tensions are increasing:

"Meanwhile, on June 21, the state television reported that the Minister of Land thought he had convinced the squatters to go home until the Government can resettle them at its own pace. The squatters say that the Government has broken simple promises, like hand-outs of seed corn. Among their leaders are veterans of the 1980s war against white rule, and their association has become so militant that it clashed with its former commander, Mugabe."

### **Land hunger in South Africa**

The growing unrest over the land question in Zimbabwe has an impact on its neighbour, South Africa, with which it shares many features. The white colonisers have been here for three centuries. They began seizing land well before 1913, but it was the Native Lands Act of 1913 that lent their robbery sanction. A second wave of robbery began with the institution of formal apartheid in 1948: blacks were forcibly removed

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on a large scale from their communities, herded into townships, and forced to work as labourers to supplement their miserable income on the poor-quality land to which they were consigned.

Today, the black majority constitutes 85 per cent of the population, but it has just 13 per cent of the territory. Their land quality is poor, and the poverty-stricken tillers do not have the wherewithal to improve it with investment. By contrast, 30 to 40 thousand white-owned farms, with about 1,50,000 persons, control around half the cultivated area in South Africa. Theirs is the best quality land, accounting for 85 per cent of the agricultural output. These sections have also benefited from decades of generous state subsidies.

As is well known, the deal struck by the ANC leadership with the apartheid regime granted the white elite sweeping amnesties, political guarantees and security of most property. But it did raise the people's hopes of getting land. The South African government's Green Paper on Land Policy (1996) admits that "Of all the wrongs committed through apartheid, it is only the dispossession of land which the Constitution expressly requires to be remedied."

Now the ANC government's land reform programme is rapidly unravelling as an utter farce. The first piece of land reform legislation of the Government was the Restitution of Land Rights Act, 1994. Under the Act, claimants have to provide documentation that they were evicted from the claimed land any time after 1913 (claims from before that period are not entertained). Claims for restitution must be registered within three years of its promulgation. But by 1997, only some 11,000 claims had been registered with the Commission on Restitution of Land Rights. Just five of these by then had been referred to the Land Claims Court, which was set up to decide on such cases. In turn, the Court had approved only one of these claims.

The remaining task of land reform is to be carried out in an even more farcical fashion. Historically, land reform has been carried out either by mass movements or by state intervention. The ANC government's programme envisions neither. It merely means that the state will assist those who wish to buy land from the whites to do so! Susan Lund, Deputy Director General of the Land Reform Policy in the South African government explained this in an interview (*Frontline*, 21/3/97):

"The Government is not in the market for buying land to implement land reforms. Its job is to assist people who want land to negotiate a good price with those who are selling land. We realise that there is a land market and we will help those who need land...."

"There is no doubt that this is the biggest difference (between land reforms in South Africa and in other parts of the world). In most other countries, the state intervened dramatically to purchase or expropriate land for distribution. We have studied other land reform experiences and we accept that there have been success stories elsewhere. But we feel that this is not the way in South Africa."

She clarified that tenants would be unlikely to get the land they tilled, either.

"Registering land rights of tenants who are working on other people's land is a difficult problem. There is a strong view that people who have established long-term rights should own the land they have worked on. In fact, some NGOs are saying that the government should actually be giving them the land. We feel that such a move will not be beneficial for long-term labour relations...."

What about implementation of this market-led land distribution scheme? By 1997, only a pilot project had been set up, operating in one district in each province. It claimed that 312 projects affecting 54,000 households and involving the transfer of 1.8 million hectares were under way throughout the country as of November 1996. But the number of actual transfers was only 28.

The masses are impatient with the 'land reform' programme of the ANC government, which looks set to go the way of Zimbabwe's programme 18 years ago. Despite having kneeled and submitted at the feet of the IMF, South Africa is in a deep economic crisis. The ANC's programme of housing has been buried, health, education and welfare have been victims of brutal deficit-cutting, and everything possible has been done to please the international financial oligarchy. But GDP growth

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continues to sink, and the price of South African exports, particularly gold, continues to plummet.

No doubt a small section of blacks have benefited from the end of formal apartheid: whereas just two per cent of the blacks were among the top one-fifth of income earners in 1990, that figure has grown to six per cent. The remaining 94 per cent, however, are not celebrating. Unemployment is officially at 29 per cent (35 per cent among the black majority). Violent crime is the only growing employer, with a murder rate among the highest in the world — 65 people killed a day during the first nine months of 1997.

Under these conditions, the need for land has become even greater. A visitor in 1997 noted that “There is a feeling of great land hunger among even those blacks who have spent a lifetime working in the mines and factories” (*People’s Democracy*, 29/6/97). As frustration with the government’s so-called land reform programme has built up, blacks have begun “invading” white farmers’ land. Some cases are spontaneous; the majority are apparently backed by parties and groups advocating a radical solution to the land question. (An outpouring of protest against the landlords was also witnessed recently when a white landlord shot at a black woman and child, killing the child, for the ‘offence’ of merely crossing his farmland.)

Alarmed at the land invasions, the South African government has warned against these measures by the people, and said that it will not give priority to people or groups who have participated in land invasions. Ms. Lund parrots: “We are clear that those engaged in land invasions will not be able to get to the front of the queue to get quick access to land. Land invasions will destabilise the land market and the economy and cause enormous destruction.”

In fact, so openly rightist is the new stance of the South African regime that it is worried at even Mugabe-style rhetoric. When Mugabe announced in November 1997 that his government planned to take over 1,500 white farms, the South African minister of agriculture hurried to condemn the move, which he claimed would damage agricultural growth!

All this despite the fact that the ANC leadership are aware of the aspirations of the masses, and the delicacy of their own situation. As Mandela’s anointed successor Thabo Mbeki admits, “If, in time, the majority of the black population sees that no change has occurred, one must expect that people will rebel.” (*Economist*, 13/12/97)

# Japan's Recession — Part of World Recession

— by a correspondent

## *Summary:*

*The Japanese economy, the world's second largest, is sinking into recession. This has major consequences for the world economy.*

*The capitalist media have come up with only superficial and motivated analyses of the causes of the Japanese recession. In fact, the roots of Japan's recession lie in the vast over-capacities in industry worldwide. Thus Japan's crisis is only one prominent aspect of the strong recessionary current throughout the imperialist economies.*

*At the same time, Japan's crisis threatens to drag all the imperialist economies, including the so-far-less-affected U.S. economy, further into recession.*

*The trend towards development of over-capacity is inherent in the capitalist system: the capitalists' drive to increase productive capacity in the relentless hunt for greater profits runs up against the fact that the workers' consumption is restricted. (It is restricted because the capitalists extract surplus value.) Under imperialism this contradiction becomes even sharper, as the scope for capitalism's expansion has narrowed, with world markets already divided up among the imperialist economies.*

*Fiercer battles for redivision of slices of the international market are thus erupting among the major imperialist powers, who give little thought to the fact that some of their forays might deepen the recession. In an attempt to prepare for the recession, giant firms are merging or*

*swallowing each other up at an unprecedented pace.*

*No juncture in the world economy in the last fifty years has been as pregnant with chaos.*

*The consequence for the Third World economies can be gauged by working out the potential fall-out in India.*

On April 2, 1998, Norio Ohga, chairman of the giant Japanese electronics corporation Sony, made a dramatic declaration:

"The Japanese economy is on the verge of collapsing. If the economic situation continues to decline, we will face a long spiral of deflation. This will no doubt have a damaging effect on the world economy."

He compared the then Prime Minister Hashimoto to the American President Herbert Hoover, who presided over the Great Crash and the start of the Great Depression in 1929.

Indeed Japan is today in an acute economic crisis, unprecedented in its post-war history. The policies being advocated by various imperialist interests for Japan to emerge from the crisis, as we will see below, do not carry much credibility. All of which tells us that global *depression* is a stronger and stronger possibility — with catastrophic consequences for the world's toilers, including the Indian masses.

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Japan in recession, in crisis, on the verge of collapse? These statements seem strange: Japan is technologically one of the most advanced economies in the world; it is the world's second largest economy after the United States; it is not an indebted country but rather the world's largest *creditor*, with \$900 billion of overseas assets; and it saves so much every year that it alone accounts for 60 per cent of the world's net saving (its *pool* of personal savings is \$8.45 trillion; total savings are estimated at around \$10 trillion). It runs up a massive trade surplus of about \$120 billion a year. It has the world's largest foreign currency reserves — \$206 billion. How can such an economy be in crisis?

According to bourgeois economists, financial journalists, and various world leaders, the origins of Japan's current crisis (and the East-South-

east Asian crisis before it) are essentially *financial*. According to them, irresponsible lending by Japan's banks and other lending institutions has piled up giant 'bad' debts. The prospect of borrowers defaulting on these debts threatens financial chaos worldwide. Correspondingly, this analysis implies that 'responsible' behaviour to restore financial soundness to the banks, including the takeover of sick banks by profitable ones, will solve the problem.

### Looming financial and fiscal <sup>crisis</sup>

While the above analysis of the problem is shallow and therefore ultimately wrong, there is no denying that there is a staggering financial dimension to the crisis.

**Bad debts of banks:** According to the latest (July 19, 1998) official estimate by the Financial Supervisory Agency (FSA) of Japan, the total "bad debts" of the country's banks and other lending institutions amount to \$250 billion. This too is generally considered to be a gross underestimate. The Ministry of Finance itself had admitted earlier this year to "problem loans" (including not only loans considered impossible to recover but also those with serious difficulties) of around \$592 billion. The American credit rating agency, Standard and Poor, which rates the creditworthiness of international borrowers, put "problem and questionable" loans of banks and lending institutions at \$769 billion (*Business Standard*, 11/4/98). (To get an idea of the scale of that figure: India's Gross Domestic Product last year was about \$300 billion.) Nor is that all: Japanese banks have lent huge sums overseas, much of it to firms in East and Southeast Asia. Because of the depression in East and Southeast Asia it is likely that such debts will have turned bad.

**Effects of bad debts:** What is the effect of a debt default by a borrower? If the debt is very large, the *lending bank* may be in trouble, and may in turn be unable to return deposits to depositors. When depositors sense such a possibility, they rush to remove their deposits from the concerned bank — leading to the collapse of the bank. When *a number of banks* collapse, depositors' confidence in the entire banking system gets shaken, and there is a mass attempt by depositors to remove their deposits, a "run on the banks", leading to a general collapse of the banking system — without which the capitalist system cannot function prop-

erly. Recently, Japan's new prime minister Obuchi refused recently to publish the results of an audit into the country's 19 largest banks because it might undermine "market order". (*Financial Times*, 19/8/98) No further comment is required on the real condition of these banks.

**Collapse of property prices:** Ten years ago, when the Japanese economy was booming, banks lent to households and corporations on the basis of booming share prices and real estate prices. Since 1990, however, real estate prices and share prices have collapsed; those who borrowed in order to purchase real estate or shares have therefore suffered huge losses. Since 1992, property prices have dropped *70 per cent*: a person who took a loan to buy a \$100,000 house finds himself with a house worth \$30,000 on the market today. It is estimated that \$10 trillion in "wealth" has "vanished" in this fashion over the last decade (although it is important to remember that this does not mean actual property vanished, but that the paper value of that property plummeted). Property prices are likely to fall a further 10 to 30 per cent.

**Corporate debt:** Japanese corporations have traditionally relied heavily on debt: their debt levels run at four times the value of their total shareholding (compared with 1.5 times in the case of U.S. corporations). Many of these corporations are now unable to service their debts, and are able to carry on only because the banks grant them generous concessions and rescheduling of debt. Further, the Daiwa Research Institute has analysed the data of 24 big companies that list the pension liabilities for which they make no provision. Daiwa calculates that 40 per cent of pension plans are under-funded.

**Government debt:** The debt crisis is not limited to individuals and corporations. The official figure of the debt of the Japanese *government* is large: 100 per cent of GDP, or \$4.5 trillion — that is, 10 times the country's tax revenues. Servicing that debt eats up half of the tax revenues (compared with about 30 per cent in 1990). Moreover, some financial analysts suspect that nine percent of the loans given under the Government's Fiscal Investment and Loan Programme are problem loans: this amounts to an additional \$250 billion. Indeed, these analysts claim that the real figure of national debt, including various hidden liabilities and unfunded public pension obligations, should be put at *\$11 trillion*, or 250 per cent of Japan's output.



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**Capital flight:** Alarmed by the prospect of default on loans, and attracted by higher interest rates outside Japan, investors, both Japanese and foreign, are pulling their money out of Japan and placing it abroad. Financial liberalisation undertaken in April 1998 made this easier, following which, in April itself, a net \$18 billion flowed abroad. According to the Japanese finance ministry, every Japanese investor — ranging from life insurers to investment trust management firms — was a net buyer of foreign securities in April. The flight of capital means that there is a strong demand for other currencies over the yen — which in turn means that there is further downward pressure on the value of the yen.

### **Cause of financial and fiscal crisis: industrial recession**

However, it is diversionary to focus solely on the financial and fiscal crisis. Let us see why.

During a period of expansion of production, loans are extended by banks on the expectation of continued profits, or even a continued growth of profits. During such expansions the values of properties and shares invariably rise; banks extend loans to investors against the current market prices of these properties/shares. It is true that certain practices of the Japanese banking system were risky.\* However, similar risky practices, in one form or another, are common to banks in all booming economies.

When an economic downturn takes place, and profits fall, businesses which have bought shares or properties are eager to dispose of them. A large number of shares and properties come onto the market, but no one has the money to buy them; so their prices fall. Businesses default to banks, and banks take over the properties in lieu of repayment of the loans. As property/share prices crash, the banks are left with assets worth a fraction of the loans they made.

During a period of expansion, Government revenues go up in several ways. Companies earn more, and pay more taxes. More people get employment, and higher salaries; they too pay more taxes. And people make more purchases, on which indirect taxes are paid. But during a period of

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\* Banks normally maintain limits on lending in relation to their own capital; but as the market price of Japanese banks' own shareholdings rose in the booming sharemarket, they lent even further on the basis of this 'expanded' capital.

recession, all of these factors work in reverse, and taxes on corporate income, private income, and consumption all fall. The Government's income from its own enterprises, too, falls. Moreover, in imperialist countries, the ruling classes have in the past had to concede some welfare payments for the unemployed (although these are being cut brutally), so as the number of unemployed goes up, so do the Government's expenses.

*As we can see, the reason for the huge 'bad loans' of the banks and the worsening state of Government finances cannot be found simply in the financial recklessness of banks and the spendthrift ways of the Government, but in the economic downturn itself.*

### Onset of industrial recession

The downturn in Japan's economy began with a short lag after the American economy went into recession in 1990; since 1992, Japan's GDP growth has averaged just 1.3 per cent per year. However, growth had not actually turned negative for any full financial year. Now that is about to change. In the last quarter of 1997, economic output fell by 1.5 per cent (on an 'annualised' basis, ie by calculating what a similar level of output would be for a full year). In the first quarter of 1998, the economy contracted at an annualised rate of 5.3 per cent. Even the most pessimistic economists had not forecast a fall of more than 1.4 per cent.

This is the first time since 1974-75 that the world's second largest economy has fulfilled the technical requirements of the term 'recession' (ie. two consecutive quarters of negative growth). In 1974-75 there was an obvious cause: the shock of the steep rise in oil prices, which led to worldwide recession, even more so on import-dependent Japan. In that year, Japan's GDP (the value of all goods and services produced in the economy) fell only 0.7 per cent.

This time, however, the scene is far worse. In the first three months of 1998 industrial production fell by an annualised 21 per cent. Business investment and corporate sales for the January-March 1998 period slid 5.8 per cent and 6.8 per cent, respectively, from the same period last year, while firms' current profits plunged 25 per cent.

### Deflation, production cuts, unemployment

During a recession, as firms are unable to sell their goods at the earlier prices, they cut their prices. But consumers, anticipating even further

price cuts, and also fearful that they might lose their own jobs in the recession, hold back their purchases, and sales fall still further. In July 1998, wholesale prices were 2.2 per cent down over July 1997; they were expected to fall further. In the first six months of 1998, household spending in Japan — which accounts for 60 per cent of the GDP — plunged 3.1 per cent.\*

While production has been cut, it still considerably outstrips demand. Unsold goods are piling up. Even while production in April 1998 was 6.2 per cent lower than in April 1997, inventories (ie piled-up stocks of unsold goods) were at their highest levels since 1973. That forebodes further production cuts in the near future, till firms are able to sell off their burgeoning inventories.

All this has naturally had its effect on employment. Japan has traditionally had very low levels of unemployment. First, because it has experienced long periods of expansion; second, because Japanese firms have preferred not to retrench surplus workers but to keep them on in one or the other capacity.\*\*

This practice, however, has turned out to be another casualty of the current extended recession. In March 1998, Japan's unemployment rate climbed from 3.6 per cent to 3.9 per cent — the highest since 1953, when the current method of compiling the data began. In May the figure reached 4.1 per cent; in June, 4.3 per cent.

In a society long used to job security for life, this has had a deeply unsettling impact. In Japan, as the *Economist* (18/4/98) points out, “the safety net is flimsy: those who lose their jobs can expect only about half their final total pay, and then only for 90 to 300 days, depending on their length of service.” It is noteworthy that the ruling party suffered a set-

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\* The fall would have been even sharper if not for the Government-ordered increases in the prices of medicine and health care equipment. Home improvement expenditure fell a clear 14 per cent.

\*\* Although coated in a lot of claptrap about the ‘Japanese way’, this is not out of any benevolence. Long periods of expansion ensured that these workers would be needed sooner rather than later; and keeping them on the rolls inspired loyalty to the firm, dulling their class consciousness — all the better to exploit them further.

back in the elections in July, winning only 44 of the 126 seats it contested. leading to the replacement of the Prime Minister; Japan's (revisionist) Communist Party won nine additional seats and 14.6 per cent of the votes.

### Causes of recession

So the cause of the financial and fiscal mess Japan finds itself in is the serious recession in industry. What then is the *cause* of that recession?

It is curious that in the huge amount of verbiage in the press on the current recession in Japan and East and Southeast Asia, hardly a word is devoted to this topic. For example, the credit rating agency, Moody's, when recently announcing that it might downgrade Japan, talked of "deep structural problems" in the economy, but neglected to mention more than various *symptoms*. In June, the then Prime Minister Hashimoto declared that "Japan is now suffering from an excess lack of confidence (in itself)"; he called on the Japanese to regain their self-confidence. Alan Greenspan, chairman of the U.S. Federal Reserve (the American central bank) analysed the situation in Asia to the U.S. Congress Committee: "You get an implosion of confidence in which pessimism feeds on pessimism. Everyone withdraws from activities related to an economy, trust... falls and the situation feeds on itself in a downward spiral." (Reuters, 23/7/98) We are asked to believe that an entire economy can simply 'lose confidence' at one time, and slide into depression.

A few articles do mention, in passing, that Japanese corporations have 'over-extended' themselves, but they do not probe further. For this is a very sensitive point. Let us see why.

**Capitalist accumulation process:** Under capitalism, ownership and control of the means of production ('capital') is in the hands of the capitalists. In monopoly capitalism, this concentration is carried to great extremes.

To *realise* the surplus value created by the worker during the course of production, the capitalist must be able to sell the commodities produced at a profit. Hence his investment decisions are based on profit calculations.

As consumer demand grows, the capitalist increases productive

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capacity to cater to that demand (again in pursuit of more profits).<sup>\*</sup> Under capitalism the purpose of increasing profits is not merely for the capitalist to consume more, but mainly in order to re-invest and expand profits yet more: he has limitless appetite for yet further gain. If he fails to constantly re-invest, expand, improve his business, improve his technical processes, etc., he is in danger of being crushed by his competitors.) With the surplus value he has extracted earlier, the capitalist orders more plant and machinery. The makers of plant and machinery find demand for their output increasing and in turn step up their capacity. To some extent, the greater employment created by these additions to productive capacity further boosts demand.

However, this process of *capital accumulation* sooner or later runs out of steam. After all, there will ultimately be a shortfall in the demand which is dependent on workers' wages: this is because workers' wages are less than the value workers have created.

The capitalists, meanwhile, do spend part of the surplus value they have extracted on luxuries. But the capitalists are small in number, and there is a limit to even their consumption. They reinvest the bulk of their vast incomes in setting up further productive capacity, in the ceaseless quest for yet more profits.

In a period of boom, then, as consumer demand picks up, and profits rise, profit-hungry capitalists deploy larger and larger sums in expanding productive capacity. Thus the industries manufacturing the means of production grow fastest of all.

Before long, capacity outstrips demand. Or rather, capacity outstrips demand *at the levels of price* at which capitalists find it *profitable* to produce. The commodities produced could no doubt be sold, by lowering prices or raising workers' wages, but after a point this too would endanger the capitalist's profits, and he would prefer not to produce at

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<sup>\*</sup> Under capitalism the purpose of increasing profits is not merely for the capitalist to consume more, but mainly in order to re-invest and expand profits yet more: he has limitless appetite for yet further gain. If he fails to constantly re-invest, expand, improve his business, improve his technical processes, etc., he is in danger of being crushed by his competitors.

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all.\*

So the capitalist cuts back investment in setting up productive capacity. Just as rapidly as the investment boom took place, it grinds to a halt. Workers are retrenched, demand goes down. Soon consumer goods output is cut back, too; more workers are thrown out of work; and demand and output fall in a spiral.

It is essential to realise that this chain of events does not result from the decisions of any single capitalist, or from any particular policy of the capitalist class. Rather, it is *inherent to the capital accumulation process* under capitalism: the suppression of potential demand due to the extraction of surplus value from the worker; and the subordination of investment to anarchic, individual calculations of profit by each capitalist (culminating, ironically, in fall in profits for *all* capitalists).

It is in the *nature* of capitalism that it first creates more goods than there is purchasing power to buy, and then slashes investment and production, leading to a depression.

During a depression we can see most starkly the contradiction between the productive forces of capitalism and the production relations.

In feudal times it was generally a natural calamity or a war that led to a fall in production. But under capitalism it is, ironically, the ability to *increase* production that leads inevitably to a fall in production! Truly, as Marx and Engels wrote, over-production is "an epidemic that, in all earlier epochs would have seemed an absurdity." It is due to the *social* nature of production that vast productive capabilities are unleashed. However, because the means of production are *privately* owned, and calculations of private profit determine production and investment, anarchy reigns and those productive capacities are ultimately *suppressed* by the owners of the means of production themselves.

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\* Assuming everybody had ample purchasing power, saturation of demand may no doubt take place in particular commodities — for example, every person may own enough footwear, and if the population size is stable it may be difficult to sell ever larger quantities of footwear; but then there would still be demand for *other* products. And so investment would flow to manufacturing those products. Thus there would be no *general* saturation of demand.

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Capitalist society has the ability to produce plenty for all, but because it does not profit the few who own the means of production to do so, society actually moves in the *reverse* direction, reducing production and employment. Goods pile up with no one to buy them; enormously productive machines lie idle; in the words of Engels, "the working masses go short of the means of subsistence because they have produced too much of them"; and all because capitalists do not find it *profitable, or adequately profitable, to invest.*

### Out of solutions

It used to be that, at some point during the depression, it would become profitable once again for the capitalists to invest. Workers' wages would be driven down by competition from the large number of retrenched workers; the price of peasants' produce, too, would be driven down by the lack of demand; piled-up stocks would slowly get exhausted; machines and other capital assets throughout the economy would wear out, and it would be impossible to postpone their replacement any longer. At this point, capitalists would see adequate demand and profit margins to feel confidence in investing once again. These investments would lead to more employment and also demand for capital goods, leading to yet more investment, and so on, on an upward spiral. There are booms and busts, say capitalist ideologists, but they are natural, indeed inevitable, and are nothing to worry about, since they are self-correcting.

Marx and Engels highlighted the tremendous squandering of productive forces and products, not to mention mass human misery, during the course of these periodic crises; they emphasised that this very wastefulness and pain would hasten proletarian revolution. But even they did not question that, at some point at the bottom of the cycle, production and exchange would gradually begin to move again. \* Their analysis was indeed correct

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\* However, in the *Communist Manifesto* itself there is a profound hint to the possible future hurdle to such a solution; there Marx and Engels point out: "And how does the bourgeoisie get over these crises [of overproduction]? On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. *That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented.*" (emphasis added)

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in the period in which they wrote, during which capitalism had still plenty of scope to expand. But later, as Lenin explained, capitalism developed into monopoly capitalism and imperialism. Monopolies and cartels had swallowed up small firms, agriculture too in the advanced capitalist countries had been industrialised, and, further, the division of the world amongst the various imperialist powers had been completed. At this point the progressive, expansive capacities of capitalism were exhausted. Capitalism was now prone to much more severe crises.

The Great Depression of the 1930s showed that capitalism no longer had the certain power of recovery from crisis. The Depression began in 1929, and it seemed that by the mid-1930s there was a pick-up in investment and employment. However, this turned out to be an illusion, and in 1937-38 investment and employment collapsed once again. It became evident that the investment slump was *not* self-correcting. (It was not until World War II, which necessitated full employment for the *war* effort, that the United States moved out of depression.)

When demand was so weak as in the depression, capitalists were unwilling to take the risk of investing. Indeed, there was *negative investment*: worn-out machinery was not replaced. Moreover, they had so much unused capacity that they did not need to make much fresh investment to cater to even a moderate pick-up in demand. And so the real motor of capitalist booms, the capital goods industry, never came into action.

### 'Keynesianism'

The capitalist class sought the answer in the formulations of J.M. Keynes. Not that all that Keynes said suited their ideology. Keynes accepted that indeed there was no necessary spontaneous tendency which would correct the breakdown in the accumulation process and revive investment and employment. Keynes pointed darkly to the longer-term implications of this flaw in capitalism, and even talked (in some corners of his work) vaguely of the need for the "somewhat comprehensive socialisation of investment" to counter it. Naturally, these disturbing logical conclusions of Keynes' work were discarded, and instead certain temporary "remedies" discussed by him were embraced as solutions to every recession.

These "remedies" were that during a depression, economic activity



should be stimulated by State action in two ways: lowering interest rates (making it more attractive to invest), and incurring budgetary deficits (on the one hand, by incurring public current expenditures and undertaking public investment programmes such as road building, and on the other by cutting taxes or tax revenues. Correspondingly, during a period of rapid growth, when there is danger of creating over-capacity, interest rates should be hiked, deterring fresh investment, and budget surpluses should be generated, which could then service the debt incurred by earlier deficits.)

There is no doubt that these measures (accompanied, crucially, by greater imperialist extractions from the colonies, now the Third World) have been partly effective in staving off recession for varying lengths of time in the imperialist countries, and in making the recession milder when it hits. But they have brought in their wake monster debts (government, corporate and household) incurred during the attempt to stave off recession. These debts themselves have become hindrances to recovery.

**Table 1: GDP Per Capita of the Industrialized Nations**

<i>Year</i>	<i>Dollars (at 1980 prices)</i>	<i>Average annual percent change</i>	
1950	3,298		-
1973	7,396	(From 1950-73)	3.6%
1989	10,104	(From 1973-89)	2.0%

**Table 2: Industrial Production: Annual Average Percent Increase**

	<i>1960-70</i>	<i>1970-80</i>	<i>1980-90</i>
United States	4.9%	3.3%	2.6%
Japan	15.9	4.1	3.9
West Germany	5.2	2.3	1.8
France	6.0	3.0	1.0
Italy	7.3	3.3	1.3
United Kingdom	2.9	1.1	1.8

Moreover, they have not been able to remove the underlying trend toward recession (see Tables 1 and 2). That is why, ever since the early 1970s, the imperialist economies have been actually fighting a continuous battle to stave off these underlying trends.

### Japanese economy and world economy suffering from over-capacity

If we look at Japan's economy today in the context of the world economy, it is clear that it is precisely the creation of over-capacity which is at the root of the recession. That over-capacity is not unique to Japan, but is a *global* phenomenon, and there is no reason why various other countries will not also soon feel its effects.

### Cars

Take the automobile industry. It is of great importance to the international economy, being the world's largest manufacturing industry. The world's top three manufacturing companies are car manufacturers: General Motors, Ford and Toyota. Of the world's top 50 manufacturers, 13 are motor companies. (*Economist*, 10/5/98)\* Demand from the automobiles industry obviously is of great importance to other industries such as steel.

However, the industry is hurtling towards a crisis. In 1996, it already had the capacity to make 68 million cars a year, but made only 50 million. By the year 2000, it will have the capacity to make 80 million cars a year, but the demand would be at best 60 million (more likely much lower). Even before the Asian crisis erupted, the right-wing business magazine, the *Economist*, brought out a researched piece on "The Coming Car Crash — Global Pile-up — the world's biggest manufacturing industry is in a panic about over-capacity." The article provides ample evidence of the chaos of the capital accumulation process under monopoly capitalism (see Appendix to this article).

The *Financial Times* of London reported in May 1998 that "The

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\* In 1996, this industry accounted for 10 of the top 50 corporations (including non-manufacturing companies) in the world (ranked by revenues): General Motors (1), Ford (2), Toyota (10), Daimler-Benz (20), Volkswagen (23), Daewoo (24), Chrysler (26), Nissan Motor (27), Fiat (32), and Honda (38). — *Fortune*, August 4, 1997

European Commission reckons there is up to seven million units of spare capacity in Europe alone. Matters have become even more acute in Japan. Car demand, depressed by the weak economy, has plummeted in the past year. And exports, which have in the past been used to compensate for soft demand at home, have been drastically curtailed by the economic crisis in Asia." In Japan, "the depressed economy and slow-down in domestic demand have opened a chasm between Toyota and Honda, by far the two most successful carmakers, and the rest. Profits at Nissan, barely recovering from ill-advised expansion in the late 1980s, and Mitsubishi are under severe pressure, while the outlook for smaller Suzuki is unclear." In 1997, according to the *Economist* piece, the Japanese auto industry was already operating at only 50 per cent of capacity.

In January-July 1998, the Japanese auto industry reported a fall of more than 15 per cent in sales over the same period in 1997. The really sharp drop came in truck sales, which, in the words of one financial analyst, "are in free fall", running at their lowest levels in decades.

Not surprisingly, the consistent flashpoint in U.S.-Japan trade negotiations is the figure of Japanese car imports, which Americans see as too low. They charge that the Japanese have erected subtle trade barriers to keep out imports. After bitter wrangling, an automotive trade pact was signed in 1995 between the U.S. and Japan, resulting in increased exports of U.S. car parts to Japan, but the Americans still complain that there are obstacles to increasing the sales of American cars in Japan.

The fact that car sales in Europe fell from 13.5 million in 1992 to 12.8 million in 1996, and barely 13 million in 1997, did not prevent manufacturers from setting up more and more capacity. In 1997 Ford estimated over-capacity in Europe at 5.7 million (*Economist*, March 1997); but by May 1998 the European Commission estimated over-capacity at seven million (as mentioned above). We find, in January 1998, Japan's three biggest car-makers — Toyota, Honda, and Nissan — expanding capacity in Europe. Toyota is starting up new plants in France and the U.K., and expects to raise sales sharply this year. (*Financial Times*, 5/3/98) Japanese firms' capacity in Europe will soon reach 1.2 million a year.

It is indeed fascinating to read the words of capitalist economists on such crises. They say quite bluntly that economies must produce *less* — that the crisis has arisen from their productive capacity being too great.

“Japan is all dressed up with nowhere to go”, says Chris Calderwood, chief economist at Jardine Fleming. “The problem is that Japan in general is still built to live in environment of very large growth, so there is too much production, too much labour, too much savings sloshing around, and too much debt.” (29/5/98) What an unwitting indictment of the capitalist system — that it is a problem when it produces too much!

### Memory chips

The automobile industry is only one example of over-capacity, and Japan is only one of the victims of over-capacity. There is also massive oversupply in the production of memory chips, the crucial component in computers and electronics. Japanese chipmakers account for about 30 per cent of global output, but they face stiff competition from other chipmakers. “I believe the DRAM (dynamic random access memory chip) is the largest single export from Korea”, says Robert Hartinger, senior vice-president at ABN Amro Bank. “The fact that its price dropped by 70-plus per cent in 1996 had a real impact on the balance of trade. The oversupply of DRAMs, the rapid increase in production, has had a big impact on Korea, on the balance of trade and on its ability to service its debt.” (*Economic Times*, 22/2/98)

The price of chips continued to sink in 1997, as the currencies of the Asian economies plummeted against the dollar. “U.S. chipmakers fear that South Korean memory chip manufacturers, for example, will... continue to expand production and exacerbate a serious oversupply that has driven down prices of memory chips down by at least 70 per cent over the last year.” (*Business Standard*, 29/1/98) While Japanese firms are selling 64-megabyte DRAMs in September 1998 at 70 per cent less than in September 1997, the weaker 16-megabyte DRAMs, which Fujitsu sold for \$45 in 1995, are selling for \$1.50. Hitachi expects its information products division to record losses of upto \$595 million this year. According to *Financial Times* (15/1/98), when “prices for computer memory chips, Korea’s largest export, collapsed in a glutted global market”, “Earnings of chip makers fell by 90 per cent.” Indeed, financial analysts say that “over the next three to five years the Korean economy will have to work off overcapacity in virtually every sector of industry.”

## Commodities

The prices of industrial raw materials will take a beating. *Business Standard* (1/8/98) quotes the Economist Intelligence Unit's "World Commodity Forecast, 1998" as predicting that "Asia's economic decline will lead to the weakest global performance in industrial raw materials since the beginning of the decade." Oil prices are at the lowest for the last 10 years; for nickel, 12 years; for gold, 12 years. Copper prices have fallen from \$65/ton toward the end of 1997 to \$32 in March 1998. Soybean, coffee, cocoa, fibres, tin, zinc, lead — all have suffered steep declines. While the fall in raw materials prices will benefit the imperialist countries (including Japan) who import these materials, it will also suppress import demand in the countries who produce these materials.

Intermediate products too are collapsing. Steel is at a five-year low. The prices of some petrochemicals are trading at 30-year lows; in the case of poly-propylene, the lowest since it was first synthesized. International petrochemical prices have fallen 30 to 50 per cent in the last year. Why are prices tumbling? "It is a classic case of huge oversupplies and flat, zero, or even negative demand", says Amit Agarwal, commodities analyst at the Hong Kong-based Richard Cox and Co. *Business Standard* continues:

"Industries across Asia (petrochemicals, paper, cement and steel) have seen billions of dollars of new capacities in the last three or four years, with more to come in the next two. The problem is that there isn't the slightest hint of demand in sight. Anywhere.

"A recent Paribas Asia equities report estimates that Asian over-capacities in 1998 are anything between five per cent and 35 per cent. The figures for the various sectors tell their own story: cement 30-35 per cent, oil 5-10 per cent, petrochemicals 30-35 per cent, steel 20-25 per cent, airlines 20-25 per cent, and telecom 10 per cent. In ethylene, a basic chemical in the petrochemical chain, Asian countries will see a whopping 20 per cent increase in capacity over the last fiscal and the present one. Demand, meanwhile, is growing at the... rate of between two per cent to three per cent.... 'The huge, fresh capacity build-ups in various commodities including steel, petrochemicals, cement, paper and non-ferrous metals', says Agarwal, 'implies producers are willing to sell anywhere they can, even at operating losses.'"

### Shipping:

The recession has of course had its impact on shipping. Dry cargo freight rates have plunged to their lowest for more than a decade. The reason is that less demand means less trade and therefore less shipping: global trade in iron ore, for example, is expected to shrink by 2.6 per cent in 1998, and a further 1.5 per cent in 1999. Steel production is set to fall nine per cent this year in Asia. (*Financial Times*, 3/8/98) And so dry cargo freight rates are down 30 per cent from 1997.

In the words of GE Chairman Jack Welch: "Pricing pressures are dramatic across sector after sector. There is excess global capacity in almost every industry." At the end of 1997, in the United States, industries with stable or falling prices accounted for two-thirds of manufacturing production. (*Monthly Review*, June 1998)

The following three points emerge from these facts:

- (i) *The crisis is not merely financial, but fundamentally one of industrial over-capacity;*
- (ii) *It is not limited to Japan or Asia but is more or less global; and*
- (iii) *It is not driven by mistakes of individual firms or Government policy, but is inherent to monopoly capitalism.*

### Ways to get out of the recession?

The following means are being adopted by Japan to get out of the recession:

- (i) Boosting domestic demand by (a) reducing interest rates, (b) reducing corporate and personal income taxes, and (c) increasing Government expenditure on roads and other infrastructure: and
- (ii) Boosting exports by (a) allowing the value of the yen to fall vis-a-vis the dollar, (b) aggressively entering foreign markets, and (c) attempting to retain barriers on entry into the Japanese market.

#### (i) Boosting domestic demand:

The first of these sets of measures has been a miserable failure.

(a) The minimum lending rate set by the central bank has been a mere 0.5 per cent a year for the past three years — but to no avail.

(b) & (c) In all, there have been five "stimulus packages" since the

economy began its second phase of slowdown in the summer of 1997. These contain mixtures of tax cuts and government spending. The most recent was the \$124 billion package announced in January 1998 (and elaborated in April). It has had negligible impact.

The *Economist* (18/4/98) points out that "In February, temporary income-tax cuts worth some two trillion yen (\$15.5 billion at the time) were brought in. Yet consumption still fell. Mr Hashimoto now proposes another two trillion yen of cuts for this year, and suggests that this February's 'temporary' cut is continued next year. As much of the extra money from previous temporary tax cuts was saved and not spent, the same thing is expected to happen again." In March 1998, sales at department stores were 21 per cent lower than a year before. Why?

"The main reason", the *Economist* points out, "is that most Japanese are justifiably worried about losing their jobs.... Even those still in work are finding the value of their wages falling.... With profits declining, companies are cutting back on overtime (which represents about 10 per cent of total wages) and bonuses (about a quarter). In February 1998, wages shrank by two per cent after adjustment for inflation. This worries householders with a mortgage. Despite Japan's low interest rates, mortgages already eat up some eight per cent of personal disposable income."

In other words, consumer spending, which accounts for 60 per cent of the Japanese GDP, refuses to pick up because consumers see the recession persisting; and corporate investment refuses to pick up because there is no pick-up in consumer spending (and even if there were, there is more than enough idle capacity to meet it).

Nor is the substantial additional government spending in the stimulus package — 12 trillion yen (\$83 billion at the current exchange rates) — generating the expected growth of two per cent of GDP: so gloomy are corporate houses about the scope for fresh investment.

#### (ii) Boosting exports:

The second set of measures is more tricky. For Japan to export its way out of the recession means that it must grab market share away from its competitors — the other imperialist countries, and to some extent other Asian countries. Whether devaluation has been intentionally brought about or not, the fall in the value of the yen has certainly made

Japanese goods cheaper abroad and foreign goods more expensive in Japan.\* This has resulted in Japan's trade surplus (exports minus imports) with the rest of the world jumping 66 per cent during the first six months of 1998. Its particularly sensitive trade surplus with the U.S. increased 48.6 per cent in the month of June — accounting for 46 per cent of its trade surplus with the world that month.

Since then, the value of the yen has sunk further, from 140/dollar to 146/dollar, and it is still sinking. At this rate the Japanese trade surplus will keep soaring.

### Other imperialist powers' demands

This has spurred long-standing demands by the United States and Europe that Japan pull itself out of the recession. All of this is as yet cloaked in vague terms, full of hypocritical friendliness. Madeleine Albright, for example, declared in a speech to an evidently suspicious audience at a Japanese university on April 24 that "I understand that Japan sometimes feels it is being pushed too hard and too fast to take steps that would be difficult in the best of times. But I hope you understand that the concerns Americans have expressed are those of a good friend and staunch ally who wishes you well."

Indeed, the headlines make very strange reading: again and again, Europe and the U.S. call upon Japan to get out of the recession; why would anyone perversely wish to remain in recession? The point is, of course, that the "friendly" advice being offered, or rather *pressed* with increasing force, has little to do with Japan's economic recovery and much to do with re-dividing the shrinking economic pie among the imperialist powers.

The measures being urged by the other imperialist powers are for (i) further opening up of the Japanese economy in both goods and services,

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\* In a Third World economy, which is unable to compete with the industrial goods of the imperialist countries, such a devaluation is welcomed by the imperialist countries, as it simply means that the imperialists thereby extract better terms of trade for themselves from the Third World country. But when an imperialist country devalues in this fashion, it means that other imperialist countries lose their markets to the cheaper goods of the devaluing imperialist power.



and (ii) "cleaning-up" of the bad loans of the banks.

The disputes cover virtually all sectors. For example:

— In July this year U.S. Trade Representative Charlene Barshefsky declared that Japan had failed to meet commitments to open up its \$335 billion insurance market to foreign firms. Eighty per cent of the insurance market in Japan is life insurance, of which the U.S. claims that Japanese firms control about 98 per cent; they also control about 97 per cent of the non-life business insurance.

— In May, Japan had pledged to take a number of steps in its telecommunications, housing, medical and financial services markets which Barshefsky said would "open up billions of dollars worth of business opportunities for U.S. exporters." For example, the changes in the housing market could boost U.S. building materials sales from \$2.5 billion in 1997 to \$3.5 billion in 1998. Japan's laws hindering the setting up of large stores too were to be changed: this was a major complaint of American manufacturers who wanted to set up their own outlets and offer large discounts on products. (This was a central point in an *unsuccessful* U.S. challenge in the World Trade Organisation against Japanese practices in the photo film market. That case pitted arch-rivals Eastman Kodak Co and Fuji Photo Film Co against each other in a dispute over whether Japan's market was open or not.)

— In January 1998, the World Trade Organisation issued a report telling Japan to open the country more to foreign goods and services. Japan's deregulation of foreign trade, said the WTO, was "still partial in scope, and several sectors, including agriculture, construction, and certain services, especially financial, remain subject to restrictive regulation."

— European Union (EU) Monetary Affairs Commissioner Yves-Thibault de Silguy told the European Parliament in January that the EU was watching to ensure that Tokyo did not try to use the European and U.S. markets as a "lifeboat" by boosting exports to them. The U.S. Assistant Trade Representative told a January meeting of the WTO on Japanese trade policies that "Given the current global economic and financial situation, it is incumbent on Japan, the second largest economy in the world and the largest in Asia, to revive its economy *not by reliance on an export-led strategy but by boosting domestic demand* (emphasis added)..."

(Japan) must open its market to foreign competition across a wide range of industrial and agricultural sectors, and pursue an ambitious, far-reaching and urgent programme of deregulation and structural reform.” Translation: buy more American and European goods and services.

— In August 1998 Barshefsky released a semi-annual review of U.S.-Japan automotive trade complained that “Japan’s recession is compounding the trade and regulatory barriers that have long impeded U.S. auto and auto parts sales to Japan. Excessive regulation and barriers to competition blocked U.S. exports and hurt Japan’s own efforts to restore growth and prosperity.” \*

Clearly, these demands have nothing to do with pulling Japan out of the recession; if anything, they may further narrow the markets of Japanese firms.

#### ‘Financial sector reform’, or surrender of market share?

Finally, we come to the demand, repeated again and again, for ‘Big Bang financial deregulation’ — the “cleaning up” of Japan’s banks’ bad debts, allowing the closure of Japanese banks and free entry of foreign banks. What does this mean in practice?

On a large percentage of the loans made by Japanese banks, the banks are not receiving payments, or are having to reschedule payments while extending further loans to the defaulters. If the banks move to cut off the defaulters, and demand immediate repayment, many of the firms will go bankrupt. It is estimated that *two-thirds* of Japanese companies are losing money at present (*Economist*, reprinted in *Economic Times*, 5/8/98). Many of these will close down if bank assets are “cleaned up”. “Let there be no mistake about it: Speeding up the bad loans write-offs will

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\* The report seems quite unreasonable, on the face of it. No doubt sales in Japan by the big three U.S. car firms — General Motors, Ford and Chrysler — fell by 26 per cent during the first five months of 1998, after falling 20 per cent last year. But Japan’s overall car market too contracted by 17 per cent during the first five months. Meanwhile U.S. car parts exports to Japanese manufacturers had risen 12 per cent in the first three months of the year over the corresponding period of 1997. — Reuters. 14/8/98

also speed up the hard landing”, says Jesper Koll, chief economist at J.P. Morgan in Tokyo. “*Right now perhaps one third of all corporations in Japan are being kept alive by the fact that bad loans are not being written off.* For every bad loan on which they realise a loss, a company goes bankrupt.” (Reuters, 28/5/98; emphasis added) That in turn means further unemployment.

The collapse of Japanese firms would be accompanied by the collapse of many giant Japanese banks. Yoh Kurosawa, the chairman of Japan’s biggest long-term credit bank, Industrial Bank of Japan, was asked at a parliamentary committee meeting how many Japanese banks would be able to survive the planned “Big Bang” deregulation. He said: “It is impossible that all the 148 Japanese banks would survive. *I think that less than 10 banks can survive international competition.*” (Reuters, 15/2/98; emphasis added)

All this would mean market shares vacated for American and European firms and banks to grab. Already American firms have been buying Japanese real estate, whose prices have crashed. The same pattern is already evident in East and Southeast Asia, where bankrupt firms are being snapped up at cut-rate prices by foreign (in the main, American) corporations. However, in the case of an economy of the size of Japan, such large scale bankruptcies would have an even more dramatic effect on the world economy than happened with the Southeast Asian collapse.

It is ironic that ‘Big Bang’ financial deregulation is being advanced as a solution to the Japanese recession when it in fact would mean a sudden *worsening* of the recession. Innumerable firms would close (already the number of bankruptcies during April 1997-March 1998 grew to a record 17,500); unemployment would soar; demand, and, in turn, output would plunge. There may be some pickings in this for other imperialist powers’ corporations, but on the whole it would plunge the world far, far, deeper into the recession than it already is.

Here are some major possible fall-outs of various potential developments in the Japanese economy.

### (1) Devaluation

Continued flight of capital could result in the continued devaluation of the yen. This would mean that Japanese goods would be cheaper and

cheaper abroad — flooding other crisis-ridden economies, such as in Asia, and rendering it even harder for their industries to survive. China, in an attempt to head off this possibility, might devalue its currency. This would probably trigger off a fresh wave of competitive devaluation among the massively devalued Asian currencies, worsening depression, hyperinflation and misery in those countries. The explosion in Indonesia and the severe unrest in Korea are only foretastes of what is to come.

Moreover, the sudden further fall of the yen vis-a-vis the dollar would invite counter-measures by the Americans in order to maintain their markets.

## (2) Spreading recession

The collapse of Japan may cripple a competitor to the other imperialist countries, but it would deal a terrible blow to already weak global demand. The most significant indication of this could be the sudden downturn in the U.S. economy.

Till the first quarter of 1998, the U.S. appeared to be entirely unaffected by the recessionary current affecting most of the rest of the world. We have been bombarded with all sorts of nonsense about how the U.S. economy is on a virtually unbeatable growth path. Clinton's Council of Economic Advisers, in its annual report to the U.S. Congress in April 1998, said that the Asian crisis would have no negative impact. While economic growth might slow in 1998, said Janet Yellen, chairperson of the Council, such slowing would be beneficial, since otherwise growth was so fast it might lead to inflation. She further said that "I would not grant that the Asian situation would have any impact on employment at all." Clinton praised the report, claiming that "Our economy is strong, our prosperity is deep, our prospects are bright." The country was on course to achieve "the longest peacetime expansion in the history of the U.S."

U.S. GDP grew 3.9 per cent in 1997, a high rate for a developed economy. First quarter 1998 growth was 5.4 per cent. But in the second quarter (April-June 1998) growth slowed suddenly to between zero and one per cent, according to the *Financial Times* (21/7/98). "Many economists believe that the economy may have *contracted* slightly in the three months to June, which would make it the first quarter of negative growth

since the recession" of 1990-91. What is significant is not merely the downturn, but the fact that its suddenness and sharpness were not predicted. The American financial markets have responded by hammering down share prices. Evidently, they have little faith in the official optimism.

### (3) Effect on financial markets

Over the past twenty years the global economy has built a vast structure of financial speculative activity which rests on the base of uncertain productive activity. Investors, dubious (for good reasons, as we have seen above) of the gains to be had in expanding manufacturing, have instead pumped vast sums of money into an elaborate system of betting on economic performance. This is what goes under the name of the international markets in shares, debt instruments, 'futures', foreign exchange, and so on.

However, while this betting has grown far faster than real productive activity, and seems to have assumed a strange life of its own, financial markets are by no means impervious to developments in the real economy of production and distribution. While they do not generate surplus, they are trading in *titles* to surplus. When there are serious threats to corporate profitability, chaos in the financial markets erupts, magnifying the chaos in the productive sphere many times over and spreading it at greater speed. The greater speed is not only because of electronics and telecommunications advances, but also because many countries have dismantled barriers on the entry of foreign capital. As capital enters or exits various financial markets worldwide, events in one country's financial markets influence others much faster.

Former U.S. economics advisor Fred Bergsten warned that with the yen's drop "It's very possible we will get a new wave of competitive exchange rate devaluation in the region, which in turn could trigger instability in global financial markets, including the U.S. and Europe." A spokesman for the British Prime Minister warned that "The world economy is facing the biggest risk for two decades, since the Latin America debt crisis." (16/6/98)

Meanwhile, in Japan, national chauvinist feelings are being cautiously stirred by certain ruling class sections, in anticipation of their possible

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future requirements. Reuters reports (28/4/98) that there is “mounting ire from Japanese officials and the media about so-called ‘gai-atsu’ (outside pressure) from Washington on how to handle Japan’s stumbling economy.”

### **World economy in growing turmoil**

The recession in Japan is taking place amid remarkable uncertainty, bordering on panic, in the world economy. As we write (August 25), the Russian economy is in an unprecedented state of collapse, and its currency is plummeting. Now it seems that, worried by instability in Third World and Russian markets, foreign investors are reducing their sharemarket holdings in those countries — and so other capital too is fleeing. This has sent shock waves through Latin America. Venezuela and Colombia have already experienced sharp devaluation and eruptions in its financial markets. Capital is fleeing from Brazil, the region’s largest economy, at an alarming rate; and Argentina and Mexico will inevitably follow if there is a collapse in Brazil. The South African currency, the rand, has taken a bad beating over the past year, despite the government’s scrupulous observance of the IMF’s commands. Indonesia is experiencing an estimated fall of 13 per cent in GDP in a single year — what a World Bank official calls “the most dramatic economic collapse anywhere in 50 years.” Indeed, the World Bank has explicitly forecast a “deep, long depression” in Asia, and suggested that a global economic slump is possibly just months away. Even the usually cautious Bank for International Settlements (the club of central banks, which attempts to regulate global banking, and stave off payments crises) says in its recent annual report: “Given the troubling way in which economic, political and social factors can sometimes interact, *it is simply not prudent to assume that everything will turn out for the best.*” (emphasis added)

Giant multinational corporations are tackling the overproduction problem and preparing for the worldwide depression in the way they know best — killing each other, eating each other up, centralising capital to unprecedented levels. Every major multinational corporation has recently undergone, or is in the process of, or is actively considering, merger with other firms, or takeovers of/by other firms. Such mergers and acquisitions are taking place at a frenzied pace. In the first six months of 1998

mergers and acquisitions between corporations in the United States alone were worth \$931 billion. That was more than the deals worth \$926 billion in 1997 — which itself was a record year for mergers and acquisitions in the U.S. Moreover, a great horde of Western corporate cannibals is descending on the financially weakened corporations of East and South-east Asia. Their purpose in taking over these firms is really to eliminate competitors, grab their market shares, and carry out what the *Communist Manifesto* called “enforced destruction of a mass of productive forces”.

### Impact on India

The imperialist crisis is reflected among the world’s oppressed nations, the Third World, in a distinct way. Here the crisis is not generally one of over-production — rather, these economies have been shaped under world capitalism to reproduce abysmal *shortages* of economic surplus, investment, and production. But in order to dovetail the needs of the imperialist economies, these bonds are now being reinforced *further*.

The crisis-ridden imperialist economies will intervene in the Third World to (1) suppress *productive capacity* (in order to grab local markets) and (2) depress the prices of Third World *exports* (which in turn means depressing wages and the incomes of peasants).

The impact of this world-wide recession on India over the past two years has already been manifested. Here we can only provide a brief sketch.

Markets for India’s exports have been drying up. Exports grew at the rate of between 18 to 21 per cent for three years (1993-94 to 1995-96), but fell in 1996-97 to 5.3 per cent and 1997-98 to 2.6 per cent. In the first few months of 98-99, export growth has turned *negative*. The fiercer competition for a narrowing market has meant that the dollar price per unit of exports — for example, of the readymade garments — has fallen sharply. At the same time, manufacturers from recession-hit foreign countries have been willing to undercut Indian manufacturers’ prices. \*

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\* For example: In the last two years, the global price of polyester filament yarn has fallen by 40 per cent, and purified tetrachthalic acid (PTA) crashed in the last year by almost 30 per cent. As they decline even further, giant Indian companies such as Reliance and IPCL are threatened. “Hot rolled...

Both these trends are likely to get further accentuated. Given the Indian commitments to the World Trade Organisation, and the strong pressures of the imperialist countries, the government will not be able to protect Indian manufacturers with increased tariffs. Indian manufacturing activity will slide further into recession.

As imports remain high, while exports stagnate or even fall, India will earn less foreign exchange, while continuing to spend more and more foreign exchange. Demand for dollars will remain high, but the supply will shrink, resulting in the rise of the dollar's value against the rupee — that is, devaluation, which has already been taking place since mid-1997. The flight of foreign speculative investments (shares, NRI deposits) and the illegal flight of the capital of the Indian ruling classes will accelerate the devaluation, and with it the general price rise. With industry in recession, no increase in government productive investment, and rapid inflation, huge sums will enter activities such as hoarding — further jacking up prices.

*What will be the effect on the peasantry?* On the one hand, devaluation (which increases the rupee value of imports) will drive up prices in the economy, including prices of agricultural inputs and land rents. (Devaluation directly increases the price of inputs such as fertiliser and diesel. But it also leads to general price rise, thus affecting all inputs, as well as the cost of living of the peasant.) On the other hand, recession in domestic industry and depressed world agricultural export prices (a result of the international recession) will mean that the price of the peasant's produce *will not rise enough to compensate for the rise in input*

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...coil", says *Business Standard* (1/8/98) "which is at a five year low, is being sold out of Russia and South Korea for as little as \$220 to \$230 per tonnes, *the price for slabs two years ago!* Manufacturers such as Steel Authority of India Limited and Tisco say they sell HRC for around Rs 14,500 per tonne. In practice, however, companies are offering discounts of as much as Rs 1,000 to Rs 2,000 per tonne.... The total Indian annual demand for steel is around nine million tonnes. Indonesia has the largest steel plant in the world, which produces *double* that amount." In the paper industry, Korean and Indonesian imports are now offering prices of \$480 per tonne, against other imports at \$550 per tonne. The examples could be multiplied.)



*prices and rents.* (This is because, both domestically and internationally, there are a large number of unorganised suppliers of agricultural commodities, driven by earlier debts and desperate conditions to undercut one another — in contrast with monopoly industrialists, who are small in number, able to work in collusion, and able to quickly raise output prices to compensate input price hikes. Various Third World countries' systematic attempts over past decades to combine so as to maintain minimum agricultural export prices have been dismantled under IMF-World Bank 'structural adjustment'. Domestically, too, even the meagre level of government intervention to maintain stable and remunerative prices of various agricultural products has been steadily reduced.)

*The worsening terms of trade for agriculture and other raw materials are one of the important means by which the domestic and international bourgeoisie attempt to restore their profit margins and extricate themselves from the recession.*

The last Great Depression of the 1930s witnessed the bankrupting of millions of peasants, particularly in the colonies. We have already been witnessing a similar torture inflicted today on our peasants: desperate to make a living despite the rising costs of inputs, loans and land, large numbers of small peasants have turned to apparently remunerative, high-risk commercial crops. (For example, two years of high international cotton prices have lured millions of peasants to plant cotton, despite the fact that prices have fallen in subsequent years.) Inevitably, lakhs of peasants have been bankrupted in the process — the most striking indication of this being the phenomenon of peasant suicides over a number of states, in all cases associated with commercial crops. As multifarious semi-feudal exploiters reap a harvest from the devastation caused by market operations, many small and medium peasants face the threat of losing their land. All these developments will, in fact, hasten the alignment of the lower sections of the land-owning peasantry with the landless peasants against the feudal forces.

*What will be the effect on our working class?* The industrial recession has already brought about large-scale retrenchments, particularly in the unorganised sector. Moreover, in their effort to compete with exports, domestic industrialists will certainly launch an all-out assault on wages and even on employment in their attempt to "compete" — all the

more so because devaluation will raise the prices of their inputs. Export-oriented industries such as diamond cutting and readymade garments have already seen sharp wage-cuts. (For example, major diamond-cutting firms in Surat attempted to slash wages for their unorganised, sweated workers by 30-35 per cent in January 1998. This resulted in a five-day explosion of working-class rage, as workers targeted diamond merchants and their units.) The mass increase in unemployment and the flow to the cities of destituted peasants will help the bourgeoisie suppress the wage rate further. (For example, in Mexico, after the 1994-95 crisis and consequent retrenchments and inflation, the real wage rate fell by 25 per cent, and has not recovered since.) *While the attack on the working class will reduce their striking power in many manufacturing industries, it will increase the unrest, desperation and militancy throughout the class — in both organised and unorganised sectors.*

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It is impossible to chart the exact course of the world recession under way. What can, and must, be done is for revolutionaries to gear up for the coming round of people's struggles, to harness these storms in order to hasten that day when a rational economic system rules the world, and the world's working masses no longer go hungry and naked because they have the capacity to produce too much.

"But in a way, Japan scares me more than Indonesia scares me -- which may sound crazy because obviously the human suffering in Japan is nothing compared to that in Indonesia. But as a citizen of an advanced sophisticated economy myself, the sight of this advanced sophisticated economy with its stable system of government, no foreign debt and no constraints on policies of the kind that usually lead to crises -- the sight of them being unable to grapple with their problems is extremely disturbing. If this can happen to them, it can happen to anybody."

-- Paul Krugman, leading American economist,  
*Times of India*, 23/9/98

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## Appendix: Global Car Industry — A Striking Example of Crisis of Over-Production

*The following are excerpts from the well-known right-wing business magazine Economist (London) issue of May 10, 1997, referred to in the above article. We are reproducing these excerpts as a detailed case study of some of the points made in the article (in many respects, the situation has further deteriorated after July 1997, following the Asian collapse).*

“Just as cities from Bangkok to Sao Paulo are blighted by monster traffic jams, so the firms that put all those vehicles on the road are facing their own snarl-up, and for the same reason: too many cars. In rich countries, car sales are static (like the traffic); and though demand is growing in Asia and Latin America, production is growing even faster thanks to a rush of recent investment. The result is a worldwide glut of cars... The over-capacity cannot last forever. The pressure to bring supply into line with demand could drive one or two firms bust, or produce several capacity-cutting mergers or break “make everything” giants into niche-seeking specialists.

Whatever the nature of the shake-up, it will have big implications because car making looms so large in manufacturing, employment and political sensitivities. The world's top three manufacturing companies are General Motors, Ford and Toyota. Of the top 50 manufacturers, no fewer than 13 are motor companies, employing 2.5 million people. Three times as many are employed in garages and in the industries that supply the car assemblers with parts....

If all the car firms in the world ran flat out, they could produce 68 million cars a year (including other light vehicles...) In 1996, they actually made 50 million — 73 per cent of capacity. It is worse in some places than others. In Western Europe, car makers turn out around six million fewer vehicles than they could (33 per cent below capacity); in Japan, four million fewer (50 per cent below); and 3.9 million (21 per cent) fewer in North America.

For the firms, this is bad news. Car companies are accustomed to making their really big bucks when operating at over 80 per cent of ca-

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capacity. Clearly, most are miles from that. But the situation may be even worse than this implies. Time was that whenever the American utilisation rate went over 70 per cent (as it now is), the return on sales of the big three car firms was at least eight per cent. Now, though, such returns at GM and Ford are below five per cent (Chrysler's is a little higher), even though all are reporting healthy earnings. This is not a glitch.... the return on assets of big firms round the world has been in decline for more than ten years, come rain or shine. That suggests that firms cannot simply count on being rescued when the two big economies now growing slowly — Japan and continental Europe — pick up again. Rather, it seems that something other than the state of the economic cycle is to blame for the industry's woes.

The first explanation is clearly that 'mature markets' — Europe, especially — are true to that name. New cars are being bought simply to replace old ones. There is no net growth....

...much of the protection put in place in America and Europe to shelter domestic producers from Japanese imports in the 1980s is still in place. That partly explains the build-up of Japanese car-making capacity in Western Europe, where Japanese output will soon reach 1.2 million cars a year.... Toyota's bosses were due in Europe in early May to start searching for a place to build yet another new car plant.

But old-fashioned unrealistic expectations have also played a role. With markets stagnant in Europe and Japan and growing slowly in America, car makers have been expanding capacity in emerging markets faster than those markets can bear. The Asia-Pacific region is a good example. Already the world's biggest producer of cars, making half a million more than North America's 15 million vehicles last year, it is seeing new plants being built that will add six million cars a year in the next five years. Autofacts, an American consultancy firm, reckons that capacity in the region (including Japan) will soon outstrip sales by nine million vehicles — and that is after allowing for big increases in local demand and exports.

Expectations can become unrealistic because companies tend to double their bets when things get tough. William Pochiluk of Autofacts (says)... "what is a good strategy for one car maker is not good for the entire industry if all adopt comparable strategies." As in musical chairs, no one

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wants to be left out when the music stops. Firms are reluctant to be the first one to close a factory lest it should lead to lower market share, or the first to forgo investment in a growing market. Thus car exports from Japan, for instance, have fallen from 4.6 million in 1986 to 2.9 million in 1995, as a consequence of Japan's expansion abroad. Yet only one Japanese car factory has been closed.

...In three years' time, according to most forecasters, world capacity will have grown to almost 80 million vehicles a year, while demand (and so production) will at best have risen to barely 60 million. By 2000, over-capacity will have risen from 18 million to 22 million units — equivalent to 80 of the world's 630 car assembly factories standing idle. Looked at another way, every factory in North America could close — and there would still be excess capacity.

Some of the biggest problems are building up in two parts of the world that were supposed to be parts of the solution, Asia and Latin America.... With a home market of only 1.2 million cars and total production of around 2.2 million, the Koreans are building an industry capable of producing over six million a year by 2000. Meanwhile, in South-East Asia, the construction of new plants by Nissan, Honda, and Mitsubishi means capacity will double by 2000.

Latin America has also seen a worrying wave of investment....”

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“The ultimate cause of all real crises [of capitalism] always remains the poverty and restricted consumption of the masses as opposed to the drive of capitalist production to develop the productive forces as though the absolute consuming power of society were their only limit.”

— *Karl Marx*





Comrade Po Pot leading a Khmer Rouge column (1979)

