

RED STAR



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Get Prepared for Countrywide Anti State Offensive

General elections to the eleventh Lok Sabha and to six state assemblies have exposed how the ruling class parties and others camouflage their market-fetichism with increasing doses of populism. In this game-plan Haryana's Bhajan Lal went even to the extent of promising a sumptuous meal for just Re. one. Irrespective of these populist exercises in their poll time manifestos, between the lines all of them are promising the continuation of the NEPs and SAPs as ordered by the imperialist camp with their own justifications and excuses. The poll-campaign prove this clearly.

It is in this background the post-election scene should be evaluated. It will be premature yet to speak about the exact combination of the next government at Delhi. There are only three possibilities. One is a continuation of Rao government with purchase of support in a bigger way compared to post-1991 days. Second is a government led by Hindutva forces. Third is government of the non-Hindutva, non-Rao forces. Possibilities are more for the third option presently. And this possibility for a government run by all those forces including Left Front who are critical of Rao's economic and state policies, and who had given leadership at all India level to various agitations against these policies during the last five years are going to raise new questions besides the existing ones.

Already IMF-WB and all other imperialist financial-monetary agencies have started reminding repeatedly that the new government

should take urgent measures for fiscal consolidation. The financial/economic dailies in India have already written about the more than Rs. 25,000 crores deficit in petroleum account alone which, as *Economic Times* editorially commented, can be met only through a 20-25 percent hike in prices of petroleum products. Alongwith the inflation and unprecedented price-rises expected in the post-election days, pressure will be mounting from international agencies and native compradors irrespective of the recent apparent contradiction between CII and FICCI/Assocham for vigorously pursuing the liberalisation-globalisation policies. Talks about selective entry of MNCs and controlled foreign capital investment as promised by the Left Front and the combined manifesto of LF-JD-SP are nonsense since imperialist capital and market system once allowed to enter will be working according to its own laws. Talks of selective reception to imperialist capital only help to create illusions.

If by any chance Narasimha Rao or BJP manages to form a government, though the possibilities for both are remote at present, the revolutionary forces will have to further intensify struggles against the economic and political policies which have reduced the country to ever-intensifying neo colonial slavery, uniting all the forces that can be united for it. Failure to take up this task due to sectarian or dogmatic approaches will be suicidal.

(contd. P. 4)

May 25: Naxalbari Day**Red Star**

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The great Naxalbari peasant struggle in 1967 created history by becoming the dividing line between revisionism and revolutionary Marxism. At a time when internationally and within India the Communist movement had come under the counter-revolutionary onslaught of Krushchevite revisionism, and when CPC under Mao Tsetung's leadership and Albanian party were struggling to mobilise the Marxist-Leninists all over the world against this onslaught, Naxalbari became a beacon inspiring the proletariat and other toiling masses in India. It led to countrywide upsurge of revolutionary struggles and to the reorganisation of the Communist movement in India in to CPI (ML). Naxalbari Day becomes significant since every year it helps us to take cognizance of this history, to draw lessons from it.

This year the Marxist-Leninists are observing this day at a time when they are called upon to play a challenging role in the ever-intensifying economic-political crisis in the country, when the ruling class politics and the parties representing it are in a disarray. When this situation calls for countrywide revolutionary offensive, it is necessary to evaluate the basic reasons why the revolutionary movement is still divided and weak creating obstacles for such an effective offensive.

Including those forces who have started calling themselves *the party*, the forces who claim to uphold Naxalbari are today divided in a number of organisations representing different ideological-political-organisational trends. Most of them are under the ideological sway of erroneous trends which have contributed towards the set back suffered by the ICM after its mighty advance till the early eighties.

For example take the question of present era, Comintern had correctly evaluated the present era as that of *imperialism and proletarian revolution*. The strategy of proletarian revolution in this era in both capitalist imperialist countries and in countries under imperialist-domination was put forward by Comintern. It was under this general line which was once again reemphasised by CPC in its 1963 *General Line* document all the advances were made by the ICM. But Krushchevite revisionism redefined
(contd. P.24)

Joint MayDay statement

Raise Revolutionary Banner of May Day Higher

May Day is observed by the proletariat and all other toiling masses all over the world this year at a significant time when everywhere they are coming up on numerous struggles against the imperialists and local ruling classes: when the forces of socialism are once again regrouping and strengthening their ranks against the capitalist-imperialist system: when these developments marks yet a new beginning for great changes that are going to sweep the world.

Mighty strikes and militant actions with the working class in the forefront and broad toiling masses that shook the French imperialist state for weeks, and increasing discontent and actions on the part of the proletariat and other oppressed masses in other imperialist countries frighten the imperialist chieftains, although these strikes and actions remain presently within the boundaries of the imperialist system. If the imperialists vigorously celebrated the collapse of erstwhile USSR and a series of other pseudo-socialist states under the rule of revisionists as the collapse of socialism and the victory of market economy, the developments in these countries go to show that the toiling masses do not see in this naked capitalism the promised heaven. In a number of countries where the "market economy" won "victory" - as the results of the elections in the erstwhile Soviet Union, in Poland etc. show people begin to think that they were better off in the period under revisionist rule than now, and this thought is gaining ground. And in many of the African, Asian and Latin American countries under vicious grip of neocolonialism unleashed in post World War II years by US led imperialist camp, the discontent and activity of the proletariat and oppressed nations and peoples is on the rise again, with mounting struggles in various forms to resist ever-mounting anti-people policies and to overthrow the comprador regimes.

Not long back, imperialists everywhere with US imperialism in leadership were celebrating the 'Demise' of socialism and declaring the dawn of 'new world order' with their exploitative, plundering ruling system as the

'end of history'. They unleashed vicious ideological offensive to disarm world proletariat and its vanguard forces. They pressed into service aristocratic sections among the proletariat and all reformist-revisionist forces in these reactionary onslaughts against socialist forces.

Day by day it is getting increasingly exposed that inspite of the serious set backs it is not socialism but the imperialist system which is caught in severe crises. Stagnation in the fields of production, ever intensifying crises of the market system, mounting unemployment, and fall in living indices are becoming universal characteristics in imperialist countries as well as in the neocolonies. Imperialist system is becoming an obstacle to the growth of productive forces and even to development of science and technology contrary to claims of its ideologues. As its moribund character is increasingly coming to the fore, it is prolonging its survival depending more and more on speculative capital intensifying neocolonial plunder and war mongering. It has accelerated inter-imperialist contradictions threatening to break out presently in the form of trade wars. Simultaneously the contradictions between capital and labour is coming to the forefront in numerous forms in these countries.

Imperialist system is trying to ward off its crises by escalating plunder of the neocolonies. Instruments of imperialist capital like IMF, World Bank, WTO, MNCs, international financial institutions etc. are employed for this purpose. Under neocolonial offensive moribund imperialist system has only reproduced all round stagnation and degeneration, and a regime of speculative capital plunging these countries into extreme crises and devastation. As a result contradiction between imperialism and the ruling classes in these countries on the one hand and oppressed nations and peoples on the other hand is reaching extreme levels.

At this critical juncture the imperialist camp is utilising all possible arsenals to beat back the challenges from the proletariat and oppressed masses. Knowing fully well that the

best way to attack the surging people's movements is to disarm them ideologically and politically, it is utilising all time-tested means and instruments for this purpose. It is promoting everywhere various alien trends which are negating proletarian class positions. Reformist ideologies are manufactured and propagated. Religious, fundamentalist, racist, 'big' nationalist as well as national chauvinist like forces are encouraged to divide, divert and maim the proletariat. At the same time to suppress people's movements state terrorism is increasingly employed. The state apparatus in imperialist countries are fully drained of even existing bourgeois democratic values. The state is made fascistic to suppress people's resistance everywhere.

Proletarian socialist forces can combat these all round counter-revolutionary attacks at global level by the imperialist camp only by sharpening their ideological political-organisational preparedness based on Marxist-Leninist positions. In this era of imperialism and proletarian revolution, the proletarian forces should strive for building up steel-like firm unity in their ranks within their country as well as at international level, casting away all reformist illusions.

Now the May Day is approaching. The May Day stands for the proletariat in the tradition of revolutionary class struggles against capital, for the emancipation of labour, for socialism: The May Day emerged in bloody class struggles for the 8 hour working day: It emerged in the struggle of the international working class against capital: The bourgeoisie everywhere in the world has two tactics against this day: Either prohibition and bloody suppression, or absorption of this day as a day of class conciliation, as a day of the unification of capital with labour, according to the motto: "We are all in the same boat": It is our task all over the world to celebrate the May Day in a revolutionary manner, that means as a day of demonstration of the forces of the proletariat and oppressed peoples against imperialist world system, as a day of irreconcilability to capital, as a declaration of war for a new, socialist world:

Let the banner of May Day, the revolutionary banner of international proletariat, be raised higher and higher with firm resolve to intensify revolutionary struggles in all countries, to mobilise solidarity actions in support of struggling peoples, and to build up international unity of proletarian revolutionary forces.

Let the revolutionary struggles of world proletariat and oppressed masses shake the very foundations of the imperialist system, and let their May Day calls reverberate over all continents heralding the world wide victory of proletarian revolution.

Long Live Revolutionary May Day:

Long Live International Solidarity of World Proletariat: Raise the banner of liberation, Raise the banner of revolution on May Day.

- * BOLSHEVIK PARTY (NORTH KURDISTAN-TURKEY)
- * PROLETARIAN VANGUARD ORGANISATION OF CEYLON
- * COMMUNIST PARTY OF INDIA (MARXIST-LENINIST) RED FLAG.

(from P. 1)

If a non-Rao, non-BJP government comes to power at Delhi, the possibilities for which are more, it will also continue the existing policies of ruling classes with only myopic changes to hoodwink the masses as mentioned above. This opportunity will also be utilised by the Hindutva forces to parade its own brand of *Swadeshi* to enlarge its base and to form the next government. Besides, due to sharing of power at centre the Left Front will shirk back from organising any more agitations against the state. Such a scenario is going to be a really challenging one in front of the revolutionary forces.

In such a situation expected to emerge soon the revolutionary forces have to take urgent initiative to unite all the forces that can be united based on the slogans Quit WTO, Kick out IMF-WB MNCs, Right of imperialist debt, and Scrap the New Economic Policies for a countrywide anti-imperialist, anti-state struggle. In the pre-election period itself such a positive effort was initiated through the joint statement of the five organisations. In the post election scene this effort has to be urgently carried forward uniting all the forces that can be united based on these slogans and readiness to struggle based on them.

A revolutionary situation with the possibilities for mighty people's upsurges are unfolding before us. It is the responsibility of the revolutionary forces to seize this opportunity and enhance the possibilities for a countrywide revolutionary alternative.

On Problems Confronting Railway Workers Movement

[We are reproducing below an edited version of the speech by com. G. P. Mishra, general secretary, All India Railway Engineering Workers Association, at the National Railway Workers Convention held at Delhi on 9 March, 1996, sponsored by All India Rail Mazdoor Vichar Manch. At a time when not only the railway workers movement, but the working class movement as a whole in India and internationally are facing severe challenges, such conventions and seminars and positive interventions in them by revolutionary forces are very useful. We invite response to com. Mishra's speech from readers—RS]

We thank the comrades of *All India Rail Mazdoor Vichar Manch* who have sensed the pulse of the time and accordingly have sponsored this National Convention in search of a fighting alliance to regenerate Railway Worker's movement.

To protest against the fatal onslaughts of the anti-worker, anti-people economic & industrial policies of the Central Government, numerous dharnas, demonstrations, rallies, symbolic strikes and bandhs were organised in the country since 1991. Except for scattered trifle support, the general railway workers were only dumb spectators to these. They kept themselves detached from the mainstream of the national labour movement after 1974 historic rail strike. As a result, they could not play any significant role in the struggles against the implementation of the government's new economic policies.

There is no need to say that the railway department is the largest and the most important section of the strategic public sector, which can play an unparalleled key role in these struggles. The historic 1974 railway strike rooted out the Congress rule well established for a long period of about 29 years. In his inaugural address, Com. Dipankar Bhattacharya has very rightly elaborated the leading role of railway workers in the recent French general strike. Can not we eliminate the passive spirit of Indian railway workers and ignite spark of life to their movement? We can, provided we honestly seek solution to some of the important questions.

We have to start with the concrete analysis of the concrete conditions prevalent among the Railway workers and the rail workers' movement. Past experiences have taught us that it is

foolish to talk about government's recognised trade union, N.F.I.R. The commission, privilege of recognition from the government and bread-butter through the exploitation of the railway workers has made A. I. R. F. impotent. Leftist forces working in A. I. R. F. on the pretext of transforming A. I. R. F. into a fighting one have also become addicted to enjoying privileges and have become opportunist. It is useless to hope any good from them. Hence a search for a fighting alliance to regenerate railway workers' movement by All India Rail Mazdoor Vichar Manch is a matter of appreciation.

Com. Ravi Sen has laboured to prepare the approach paper. I have some points of disagreement with it. For example—in para 2, he has pointed out "Railway workers are already aware of their burning problems, they are visualising the danger ahead with insight, (they are ready to resist)". My evaluation is that railway workers are neither realising their burning problems nor are ready to fight to resolve them collectively. They are trying to solve their immediate problems individually in reformist trade-unionist style. Majority are not perturbed with privatisation. They are not conscious to visualise the harmful disadvantage in privatisation, rather it is startling that many are hopeful of achieving better pay scales and better privileges from big private sector firms. There is no encouragement for any collective fight among the railway workers. They are divided in castes and religions. As they have been duped many times, they have lost faith in the trade union leaders. The railway workers assemble around a T. U. leader on the basis of caste and not as a labour leader.

How do we see the present condition of working class movement politically and what recourse do we think over?

In order to retain this system of plunder and profits have the ruling class not succeeded in entrapping the working class movement in sheer economism, parliamentarism, opportunism and liberalisation?

What is our political analysis of this situation? What devices do we chalk out to overcome it?

All political parties have their own T. U. wing, which divides the working class unity in different camps for their election gains. It results in transforming the mass organisations of T. U. to their political pocket organisations with cunningness and diplomacy. It not only breaks the unity of working class but undermines the revolutionary workers from fighting against the opportunist trends. The election is fought on the basis of immense money and with the main equations of castes and religion. Does this not play a key role to spark the feelings of casteism and communalism and provoke bloody caste, communal wars instead of sharpening the edge of class-struggle? Does the gratification for money for election ends not corrupt the working class movement? Does this not help the exploiting class?

How do we face this cancer which eclipses the working class movement? All the parliamentary and reformist political parties unleash abuses to the new economic policies of the central government and also W. B., I. M. F. and M.N.Cs and register strong ritual protests against them. On the other hand, they, including the Left Front, implement the same Central Government policies in the respective states ruled by them and very respectfully welcome W.B., I.M.F, M.N.Cs., and foreign capital investments. Are these well planned masked protests not unleashed to create illusions among toiling people to enrich their vote bank on one hand and intensify their bargaining capacity for more funds from WB and IMF on the other? In service to imperialist interest all the parliamentary political parties are alike.

While forming a fighting alliance of T.U. movements connected with such parliamentary political parties, how will we adjust and ascertain the outline of our relation with them in order that the revolutionary elements present in the working class movement may not be suppressed?

The class enemy conducted a scientific

research and with a view to corrupt and deviate the leaders of the working class movement and the workers themselves, a cultural aggression is launched against them. The class enemy succeeded in his mission utilising services of revisionism by creating illusion and deadlock among the working class and in the working class movement. The ruling class has modernised the weapon of suppression, whereas we are using only the old traditional weapons like dharna, demonstrations, rallies etc. to combat the enemy and satisfy ourselves by patting our own back.

To overcome such an abnormal situation, what line of plan and action do we decide for a breakthrough in the working class movement?

Do you think that the proposed "broad alliance" will be able to change the aspect of the new economic and industrial policies through old ritual methods. I am firm that such a view only lead to reject the scientific truth. The question of new economic policies is directly connected with the existence of this ruling system and with the emancipation of the working class. And this liberation movement is to forge prolonged and very hard struggles against imperialism, capitalism and feudalism.

What would be the ideological, political background of such struggles and what are the challenges of the struggles?

The success or defeat of any movement or the organisation in favour of the working people depends on the political ideology pursued by its leadership and the class-character of leadership. It is easy to account the great sacrifices done by the toiling masses of India during the prolonged freedom struggles. But who did reap the fruits-the poor working people who are in majority? No, certainly not, it went to the handful of big bourgeoisie and the feudals who manoeuvred to capture it. It became possible only because the leadership of the militant movement was handled and controlled by pro-British Congress party. The class enemy has been so hostile and merciless that it buried the very recognition of the great sacrifices and the devastation done. It creates illusions among people with a view to deviate them from using violence against violence of the ruling class, singing "Sabarmati ke Sant, tu ne kar diya kamal; De Di hame Ajadi, bina khadga bina dhal". (Saint of Sabarmati, Gandhi, did a miracle and achieved independence for us without arms). (Contd. P23)

Rao Government's Last Budget: An Election Bombast based on Doctored Data

By presenting a full-fledged budget for the whole of the financial year 1996-97 instead of 'a vote on account' for the first four months of the fiscal year, the Rao-Manmohan clique with the backing of its imperialist masters has once again gone beyond the constraints imposed on it by the so called Sovereign Constitution. In violating the constitutional propriety and in pushing through the ongoing IMF-WB-WTO policies to the next financial year in the form the 'interim budget', thereby enabling the next government irrespective of the party or parties that lead it to carry on the globalisation programmes uninterrupted without resorting to a new policy declaration, all the hawala parties and the so called left in the parliament also have extended their whole-hearted support to the Rao government. No doubt, this is fully in accordance with the broad consensus on the so called 'irreversible character of the reform package' arrived at by all the ruling class parties including the CPI(M) in India.

Obviously, the Economic Survey presented to the Parliament and the budget document released by Manmohan have called for an "aggressive" effort on the part of the government to continue with its sell-out of the country to foreign speculative capital. In particular, the Economic Survey that is intended to provide a background to the fiscal strategy being pursued over the 1996-97 fiscal year as elucidated in the budget has called for an acceleration of the process of privatisation of public enterprises along with a further auctioning out of the infra-structural sectors such as telecom, power, transport etc. to global finance capital. As a background to this suggestion, using statistical data provided by official machinery such as Central Statistical Organisation (CSO) the Fund-Bank lobby who has prepared the Economic Survey makes us believe that "the economy has emerged decisively from the crisis of 1990-91". For instance, the survey claims a GDP (Gross Domestic Product) growth rate of 6.3 percent and an industrial growth rate of over 10 percent in the preceding year (ie in 1994-95). It also claims the creation of 7.2 million employment opportunities and the reduction in the number of people below poverty

line to just 18.96 percent in the same year. Another interesting claim made by the Rao-Manmohan clique is the much trumpeted reduction in inflation rate to 6-7 percent. Among other things, the survey has taken pains to pinpoint the claimed rise in the savings and investment rates in the country during 1994-95 which had respectively risen to 24.4 and 25.2 percentage points.

At the outset, it must be pointed out that these statistical data doled out by the Rao government as part of its budget exercise and with which it attempts to give a rosy picture of the economy are doctored and therefore hollow. In fact, the much publicised claims regarding increase in national income, industrial production and employment generation and reduction in inflation rate and poverty have nothing to do with the current realities in the Indian economy. For instance, much before the preparation of its Economic Survey and Budget documents by the Rao government, in mid-1995 the Planning Commission in its Mid-term Plan Appraisal had clearly pointed out that since 1991 poverty and unemployment have assumed unprecedented dimensions, that the prices of essential items including food have gone up and that almost all indices relating to living standard of the masses have revealed an abysmal decline. At that time, the Planning Commission had also warned the government of the grave consequences arising from state's withdrawal from social service expenditures and capital investment in vital sectors. The acute retrogression pervading through the agricultural and industrial sectors of the country was also a topic of discussion by the Planning Commission at that time. In fact, as everybody knows, the Rao government, as part of its Fund Bank led 'monetarist' onslaught at marginalising the Planning Commission and demolishing the so called planning process itself, never released this planning commission document officially. Being thrown into the dust-bin, it came to light only through the dog fight within the ruling clique, especially between Pranab Mukherjee the Deputy Chairman of the Planning Commission and Manmohan Singh.

The present "window-dressing" by Rao-Manmohan clique within a span of a few months

on the basis of manipulated data also shows the extent to which official data collection agencies in India has degenerated to suit the neocolonial objectives of the ruling clique. For instance, take the case of the 'ad hocism' implicit in the quick estimates of national income data prepared by CSO which is the basis of the election bombast by Rao government through its budget. For, last year's CSO report (which was also upheld by the then Economic Survey) had clearly indicated a decline in national saving rate to 20 percent and investment rate to 20.4 percent in 1993-94. (In 1991, when the Rao government came to power these figures were 23.7 and 27.1 respectively) Not only that, highlighting the basic trends in the economy including the steep reduction in capital expenditure by the state, CSO had emphatically pinpointed a further reduction in these indices in the years to come. Now, while all the speculative trends working against the really productive activities have gathered momentum, without providing any explanation to the contrary, it is quite revealing to see the strange somersault made by CSO in highlighting a saving and investment rate of 24.4 percent and 25.2 percent respectively in 1994-95. Or, take the case of the official figures on inflation. It is certainly a magic in calculation to say that inflation is getting reduced when the prices of basic necessities of the people all over the country such as food grains, vegetables, medicines, etc. are escalating. Even if one concedes to the claimed growth rates in income and industrial production, it is quite clear that the unprecedented plunder of India made by MNCs and foreign speculators is also included in these figures. The upshot of our argument is that it is quite meaningless to pursue any discussion on the basis of official statistics which are not experienced by the country and its people.

This being the case, let us have a brief look at the budget figures (both the revised estimate for 1995-96 and budgeted figures for 1996-97) delivered by Manmohan in his speech, so as to make a comparison between the current state of the economy and the 'pre-reform' period. No doubt, as pointed out by him in his budget speech in the current year (1995-96) the total government expenditure has exceeded the budget provisions by as much as Rs. 10,853 crores. This deficit, as is obvious, is not the result of any increase in state's involvement in social service expenditures or investment in real productive sectors of the economy; on the other hand, it is the direct outcome of an unprecede-

nted rise in non-plan and non-developmental expenditures resulting in a huge transfer of real resources from the toiling masses to foreign speculators as well as to traitorous sections within the country. Five years of Rao's rule has resulted in an increase in non plan expenditure (non-developmental expenditures relating to routine administration, maintenance and continuation of existing schemes floated in the past) from 73.1 percent of total government expenditure in 1990-91 to 75.0 percent in 1996-97 (as projected in the budget), i.e., from Rs. 76933 crores to 151503 crores. Quite naturally, the total plan expenditure relating to schemes which are drawn up for advancing specific socio economic objectives essential for development has secularly declined from 26.9 percent to 25 percent during the same period. However, if we look at from the capital expenditure side, the declining trend is seemed to be more serious. For instance, the centre's capital expenditure (belonging to plan and non-plan accounts) which is conventionally considered as the crucial index for determining state's role as the initiator of developmental activities in the economy, declined from 30.2 percent of total government expenditure in 1990-91 to 21.6 percent in the revised estimate for 1995-96 and to a mere 20.5 percent in 1996-97. In fact the capital expenditure on plan account has declined even in absolute terms so that in 1995-96 it was only half of the 1989-90 level. Thus, as evident from the hawala deals and commission scandals, after entrusting vital sectors of capital investment to foreign speculators, the Rao government is increasingly withdrawing from such areas. Of course, the revised estimate for 1995-96 is perhaps the best indicator of all these trends, where even the central plan outlay itself is less than the budgeted outlay by Rs. 4300 crores.

Of course, resources mobilised through the squeeze of the masses are channeled to ever-mounting debt service payments and for transfer payments in various forms to the rich. Under IMF directive of fiscal deficit reduction (of course, in that too the government is no where near the IMF norm; according to official figures, in 1994-95 it was 6.7 percent of GDP), while the government is evading its responsibility for public investment, it can be seen that the debt service payments especially its interest component is galloping. It is obvious that the sum of Rs. 60000 crores set apart for interest payment in the budget is a gross underestimate in views of the skyrocketing of the country's

public debt. As a result of the speculation-led devaluation of rupee, the country's foreign debt is increasing in split seconds. For instance, on the eve of the officially declared devaluation of the rupee by Rao government, ie, in June 1991 India's foreign debt was \$ 83.96 billion. At the then prevailing exchange rate of \$ 1 = Rs. 21, this amounted to Rs. 1,76,300 crores. As on January 1996, as per IMF statistics, it reached \$ 100 billion. However, on account of the continuous devaluation of the rupee against the dollar resulting in a huge drain of resources from India to USA, at the prevailing exchange rate of \$ 1 = Rs. 38, the foreign debt of India has reached a minimum of Rs. 3,80,000 crores as on January and as of today, it might have definitely crossed the 4 lakh crore mark. As a result, the projected interest payment of Rs. 60000 crores for 1996-97 will be quite insufficient for the purpose. Still then, it comes to 25 percent of the total budget outlay while outlay for the central plan comes to only 13 percent of total expenditure.

A glance at the budget figures as well as reports from other official sources also reveal the manner in which the government is channeling its funds to the corporate and well-to-do sections through a number of incentives such as direct tax exemptions, export subsidies and increased procurement prices for rich farmers who have a marketable surplus with them. While the government is starved of funds, it is ironical that no effort is being taken to recover the huge tax arrears due from corporate and rich sections. The CAG Report tabled in parliament on March 7, 1996 has estimated the corporate tax and income tax arrears from the upper sections as of March 31, 1995 at Rs. 22698.64 crores. However when Rao came to power, according to the Rajya Sabha proceedings of December 3, 1991 the total direct tax arrears from well-to-do sections were Rs. 6700 crores. In fact this is only an indication of the nature of development that is going on under Rao. As elucidated by Manmohan in his budget speech, the shortage funds with the government is rectified by the inflow of foreign speculative capital. According to official estimates, the total foreign capital inflows have risen to \$ 4.11 billion in 1993-94 and further to \$ 4.89 billion in 1994-95. However, this illusion of fast expanding speculative inflows have already pushed the country to threshold of a Mexican type disaster, which is a widely discussed topic today. The erosion of country's foreign excha-

nge reserves by \$ 3.25 billion (the equivalent of more than Rs. 12000 crores) since the beginning of the current fiscal year resulting in a decline in the foreign exchange stock to \$ 17.5 billion by the end of 1995, quite revealingly, was totally ignored by Manmohan in his budget speech.

Another aspect of grave concern totally neglected by Manmohan has been the worsening trade balance of the country. For instance, the trade deficit of India that stood at \$ 1.5 billion in 1991-92 has increased to 4 billion dollar by the beginning of 1996. By the end of 1995-96 financial year it is expected to reach 5 billion dollar. Quite contrary to the rosy picture drawn by Manmohan, according to G. V. Ramakrishna, a member of the Planning Commission, the gap between the growth in imports and exports would result in India having an adverse trade balance to the tune of about 20 billion dollar by the turn of the century, ie by the end of the ninth plan. A major factor contributing to this galloping trade gap is the huge petroleum imports comprising almost 65 percent of total imports. In 1993, a study conducted in USA by the University of Florida has pointed out that while exports to the US from India were under invoiced (that is, under-priced) to a great extent, the imports to India from US were drastically overinvoiced. This trend had resulted in a "capital flight" from India to the extent of dollar 8 billion (Rs. 28000 crores) annually resulting in a severe trade deficit for India. No doubt, another Fund Bank led adjustment is there in store for India in the coming days.

Domestically, irrespective of the party or coalition that comes to power, the broad masses of people are going to face a series of price hikes of essential articles through executive orders. The inevitable rise in petroleum prices with all the cascading effects it will have on general price level, will add further momentum to the inflationary spiral. Though the government may succeed in manipulating the wholesale price index (WPI) so as to maintain it at a level convenient to it, the cost of living index (CLI) of agricultural and industrial workers as measured by governmental agencies themselves will gallop further resulting in a further decline in the purchasing power of the toiling masses leading to unprecedented misery and starvation. For instance, while the Rao Manmohan clique is boasting about the government's huge food grain stock, per capita availability of food

Development divergence: Philippine NGO community

The following article consists of excerpts from a pamphlet produced by Peasant Update Philippines, Reprinted by BAYAN International.

The Philippine "NGO Movement" in Retrospect -A report-

Philippine Non-government Organizations or NGOs were formed in the 1950s when poverty and underdevelopment stalking Third World nations became a major concern the world sought to decisively address, a distinct entity from other self-organized civic clubs and social welfare groups of the middle classes working for marginalized sectors. In later years, aid in whatever form, became a system which allowed the world's have-nots to partake of crumbs generously extended by developed countries to placate social unrest and foster the world capitalist purview of development. To paraphrase a prominent Filipino journalist, aid was an effective instrument to facilitate "colonization without an occupational force".

Development work by early NGOs in the Philippines thus had no purpose of changing structures that bred the phenomena of poverty

grains, has declined from 510 grams per day in 1991 to 470 grams in 1995. As a manifestation of this, while the government's foodgrain stock rose from 17.9 million tonnes in 1991-92 to 37.5 million tonnes by the end of 1995, offtake of foodgrains from public distribution system in fact declined from 20.8 million tonnes to just 6.1 million tonnes during the same period. Quite naturally, Manmohan was conspicuously silent on these issues throughout his budget speech. His only mission was to have an election eve 'window dressing' with the aid of doctored data provided by various data collection agencies which of late have degenerated as willing tools in the hands of the Finance Ministry. ●

and underdevelopment in a country of rich resources and a people capable of meeting this challenge. They extended relief and facilitated welfare activities for the poor and needy, functioning along the lines of the North's Philanthropy. Some even served as branches of Northern relief agencies for missions of mercy and aid extended to the Third World. These organizations likewise assisted government in reaching the grassroots to implement various community development projects. Efforts to organize communities also began in the '50s during the Magsasay administration's war against leftist guerrillas. NGOs worked along with government in initiatives to set up cooperatives that addressed varied concerns as agriculture, health, education and other areas of development. But it was evident that these initiatives had no intention of decisively addressing the challenge of Philippine underdevelopment and were more a part of government efforts to undermine the people's protest movement and thwart the growing insurgency.

It was in the 1970s and 1980s, at the height of the people's anti-dictatorship struggle, that a different breed of development workers sprouted and the term "NGO" gained prominence. In this turbulent period of Philippine history, NGOs closely linked with the people's movement opted for a self defined orientation radically different from the framework set for NGOs in the '50s and '60s. They took on a more radical approach to social change, viewing underdevelopment as a result of structural imbalances and inequity. Moreover, these groups actively participated in the people's struggle for social transformation, working directly with marginalized sectors and advocating policy changes around social equity concerns, taking the critical stance on important development issues. Under these new breed of NGOs, the development work took on the character of a political movement.

The intensity of the people's movement led the other mainstream NGOs, including those from the conservative church hierarchy and reactionary business groups, to blend in with the people's struggle. These groups aligned

and coalesced with NGOs directly linked with the people's movement and assumed the progressive posture in a bid to evade being identified with the ruling system being championed by the Marcos government. The dictatorship's extreme isolation eventually facilitated the United State's policy shift from one of full and unequivocal support for their strongman in Asia to engagement in Low-Intensity Conflict (LIC) to simultaneously stem the surging people's movement and institute mechanisms to preserve U.S. economic and political interests in a post-Marcos scenario. Reactionary mainstream NGOs that mingled within the people's movement were more than willing to accommodate US's designs.

After Marco's downfall as a result of the February 1986 people's uprising and Corazon Aquino's ascendancy to the seat of political power, NGOs proliferated further due to several factors: the unprecedented increase in financial support from industrialized nations for development activities and the opening of "democratic space" during the early years of the Aquino administration. Government, business and donor organizations also began to set up their own NGOs, cashing in on the popularity of being labeled as such to devise an acceptable mechanism that would act as tools to advance their reactionary development framework among the genuine NGOs and POs (People's Organizations) and rail-road the people's movement along reformist lines of struggle.

Context of the Development Divergence

The "democratic space" Aquino opened only allowed the de-clamping of institutions like media, non-crony businesses and church groups and the reinstatement into the political mainstream of throngs of anti-Marcos reactionaries. This "democratic space" was a calculated compromise of the ruling class to fizzle popular dissent from exploding into full-scale revolution. It was thus not wide enough to accommodate the people's movement.

The ruling elite's recognition of the influence, role and limitations of the NGOs in transforming the social fabric was inevitably used to prop up the Aquino regime's democratic pretensions, stamp a measure of acceptance and respectability for the newly-installed reactionary government and dupe the general

population on its true character. The concept of development work attuned with prevailing reactionary interests was again foisted vigorously among the ranks of the Philippines NGO community.

Funding institutions.....become active in dictating a development paradigm for NGOs to follow. Using their clout as conduit of resources, they began to discourage NGO involvement in political activities and pushed for socio-economic and environmental projects that followed a dictum of self-help and sustainability for local communities. NGO projects and programmes had to assume a pluralist or non-political character to win the nod of funding agency (FA) approval. It became such that some NGOs had to reorient their mission and vision to conform to FA demands or else face the consequence of folding up as an institution. Some NGOs eventually doubted the sincerity of their partners in offering solidarity for the people's movement especially when they gleaned that the bulk of some FAs resources come from their country's funds allocated for official development aid, thus began research on the role of these FAs in promoting their countries' foreign policy agenda.

The Malady of NGOism

The confluence of [many] factors resulted in a malady that has struck the Philippine NGO community—the malady of NGOism. It is defined by sectors from the people's movement as "a state of being engrossed in unholistic developmentalism leading to bureaucratic tendencies in dealing with people NGOs have sworn to serve".

NGOs afflicted with this malady have a concept of development segregated from the people's movement, focused on welfare, productivity and sustainability concerns and unmindful of challenging the base structures responsible for the people's immiserization. Victims of NGOism magnify the NGO position in social transformation. They seek to widen their influence by strengthening their position vis-a-vis the government even if it means an overstretching of their capabilities that at times bring them in conflict with their mission and their members. These NGOs work with government, private sector, funding agencies and even such entities as the World Bank, in the belief that they are patching holes left by government neglect and corporate greed or

complementing services rendered by the two sectors.

NGOism is manifested in various ways and degrees:

1. Loyalty to the funding agency rather than the people's movement. Rather than attuning development programmes to the actual needs of the people, some NGOs master the art of what programmes will click with the FA and how FAs would want such projects to be implemented.
2. Socio-economic work without the need for class struggle and changes in the social structure. A number of NGOs have engaged in various "small but beautiful" community projects that aim to alleviate poverty and empower the community without attacking the unjust relations prevailing among the basic masses and the ruling elite.
3. Bureaucratism. Some NGOs began to regard people and people's organizations as wards that need to be educated, trained and mobilized to implement their development vision and as forces that will strengthen the NGO movement. The role of the exploited masses as the prime mover for social change was undermined, their development framework and their struggle set aside and their participation in developing alternative structures for genuine empowerment curtailed.

4. Corruption of the NGO service orientation. The fixation with developmentalism and bureaucratism began to take its toll on the NGO service orientation. Rather than developing programmes and projects attuned to the people's actual needs and struggles, NGOs began to impose and/or find ways of asserting their own vision and framework for community development.

5. Professionalism. Some NGOs began to value efficiency in terms of strict compliance with programmes at the expense of flexibility anchored on dynamic and genuine service to the people. They adopted systems familiar with mainstream business corporations that grassroots organizations found hard to comply with and bred the employee mentality on development workers, leading to the loss of their commitment and spirit of voluntarism. It became such that skilled volunteers began to demand higher pay and other benefits only rich NGOs and business institutions could offer.

6. Adoption of corporate practices and standards. Some NGOs began to function more like a corporation rather than a non-profit, non-stock organization. They stick their finger on a wide variety of development programmes more for the sake of financial access and accumulation. The wealth they amass usually serves to support their burgeoning NGO bureaucracy rather than to provide service for genuine communities' development.

7. Turfing. Some NGOs intrude upon the constituency or communities of other POs and NGOs whom they regard or treat as "rival" in the development "business".

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The Development Mission

The mission of poverty alleviation and development must be recognized as a political mission and NGOs/FAs can only succeed at achieving this only by supporting and taking part in the people's struggle.

The people's movement is not merely a political movement but has always been a comprehensive movement addressing all aspects of development-people's political empowerment, economic welfare, social and cultural development. Divorcing development work from the people's struggles and initiatives effectively prevents the NGO movement from looking for viable alternatives to the prevailing development

MNCs: Conflicting views among compradors

On the eve of general election different apex bodies of Indian business like CII, FICCI and Assochem came out with conflicting views on MNCs participation in Indian industry and commerce. Though these cannot be interpreted now as "growing contradictions among Indian compradors" as some sources have hastened to state, these conflicts cannot be neglected altogether as insignificant also. As neocolonisation further intensifies a section of ruling classes are bound to come out against it, eventhough their approach may remain opportunistic and vascillating. The present conflicting views therefore calls for attention of the revolutionary forces as it is the first time after the statements in the name of 'Bombay Club' in 1993, such views have come out. For the attention of the readers we are reproducing extracts from *Hindu* and *Economic Times* on this issue.

CII on MNCs

Rajiv Kaul who was attending the annual regional meeting of the eastern regional body of CII at Oberoi Grand in Calcutta clarified the apex chamber's stand in regard to multinational companies (MNCs). He said the CII was a strong advocate of liberalisation, pushed forward by the Union Government, and hence favours the entry of MNCs for bringing in foreign investment and technology.

However, he said, "Action by a few MNCs, who had tied up with some of the members, mainly from the medium scale sector,

paradigm espoused by government and big business. Development work extended under this precondition wipes out whatever gains the people achieved through their relentless political struggles.

The political realities still prevailing in the country demand nothing short of militance. The state-induced options for NGOs to work within the ruling system is a reformist gambit that grants the ruling system opportunities to maneuver, sow confusion and weaken the ranks of the people's movement. The development divergence is a state-induced aberration NGOs should be wary of falling into.

A democratic government that is accountable to the people can be achieved not by working within the bounds of the ruling system but by liberating the poor from the unjust structures that continue to disempower them. The so-called third sector is carried away by a false illusion that it can take part in this process of liberation by working strictly within the confines of the ruling system. ●

of CII had caused some unhappy experiences and misunderstandings. Based on these experiences, the CII had prepared a paper two weeks ago, advising the MNCs, especially the new entrants, on steps they should avoid so that no misunderstandings crop up in future". The report was circulated to MNCs either directly or through chambers and the embassies, he said.

Asked, why such "misunderstandings" cropped up only among the medium scale Indian companies, Mr. Kaul said that "possibly the larger ones have their own mechanism to anticipate such actions and hence averted the consequences".

The seven page report circulated to MNCs named, "MNCs: India Strategy Needs Reforms" says that there was a mutual interest in partnership between the multinationals and the Indian corporates. However, "Looking back at the last few years and reviewing the situation" it was felt that "there are clearly several errors in strategy and approach on both sides."

The apex chamber feels that Indian companies were reaching out to MNCs to access products and technology essentially to raise their market share and market presence. "But in quite a few cases it is unclear what the Indian company brings to the table or adds in terms of value other than local knowledge and government access and liaison (which is of less consequence now)".

Strong trends

There are some strong trends emerging which needs to be highlighted understood and debated so as to move towards a strong partnership mode in the context of obvious mutual interest, it feels.

The major trends identified by the CII are:

(1) Reluctance to invest in India but to access the market through "minimum production on the ground and maximum production at home", wherever that is. A by-product of this approach is to rely on continued import of components.

(2) Focussing on short term quick profits rather than for long haul.

(3) Bring in technology and product which are phased out at the home country of the MNC. Not to bring in the state-of-the art technology or the most modern products.

(4) In spite of having a joint venture company with an Indian partner, the MNC set up a 100 percent subsidiary where it has total control.

(5) Use of expatriate manager and CEOs for the joint venture company rather than the competitive Indian management available in the country who has presumably a better understanding of India.

(6) Another trend is that MNC investment is limited essentially to the supply of second hand plant and machinery which has been declared obsolete in their home country and is available for relocation in a country like India.

(7) An interesting trend followed by some MNCs is "Cowboy" approach of landing in India, choosing a partner hastily, making a mistake and then wanting to break the relationship. "Interestingly, in the telecom sector, of the joint venture partners which bid for the cellular tender, almost all have parted company already".

The above trends as identified are obviously generalisations and there are many exceptions, CII says, but it is necessary to focus on the areas of weakness in the MNC strategy "so that these are recognised and taken not of as we go forward and try to build strong partnership".

Stating CII as an "apolitical body having no link whatsoever with any political party", Mr. Kaul said that "CII has never and will never propose policies for India and Indian industry to please any political party". In fact, the CII had presented its economic agenda for India in April 1991 and will do so again in April-end 1996."

The CII president said, "India needs a huge amount of foreign investment and hence

should invite MNCs." He said the CII continues to be a strong advocate of economic reforms and hence worked closely with "all political parties" to promote foreign investment in their States. "CII believes that reforms processes will go on irrespective of which political party is in power in the Centre or in the States. This is reflected in the policies being followed by all parties in their respective States".

He said that in order to attract foreign investment in the country, the CII would lead a team of 80 Chief Executive Officers of various top ranking corporate houses by June this year. "This is the biggest delegation of its kind so far", he informed.

(Hindu, 4 April)

CII seeks political support

The Confederation of Indian Industry (CII) appears to have begun to canvas support for its newly-acquired anti-MNC stance from the political class—especially those among it who are already suspicious about foreign companies and foreigners.

On Monday, a CII delegation, led by its outgoing president, Mr. Rajive Kaul, called on the former BJP president and a leading light of the *swadeshi* movement, Mr Murli Manohar Joshi and invited him for an interface with its members at its annual general body meeting, scheduled for April 16 and 17.

Interestingly the same CII has earlier taken pains to keep the die-hard *swadeshis* like Mr. Joshi away from its AGMs. For instance, the year before last, it extended invitations to alleged 'pragmatists' in the BJP leadership for its AGM—Mr L. K. Advani, Mr Pramod Mahajan, Mr Jaswant Singh and Ms Sushma Swaraj. And last year, Mr Mahajan was called, although he stayed away because of a controversy.

The invitation this time to Mr Joshi is therefore, significant. Mr Joshi's views on matters economic is in consonance with the CII's changing perception towards multinational corporations. Mr. Joshi, who toes the hard *swadeshi* line in the party, continues to treat the multinational firms as 'agents of imperialism' and 'symbols of subjugation'.

Though the CII had been siding with the

hardline globalisers in the government, it has, of late, been articulating the need for a rethink on the policy. The CII director general, Mr Tarun Das, in a recent interview, had said the MNCs lacked a proper knowledge of India and that they were adopting a 'cowboy approach'.

There has been some doubt whether the CII would invite any BJP leader at all for this year's AGM. This is because the meeting, two years back, had become controversial—the Sang brotherhood had frowned upon certain utterances of the BJP leaders. In the main, their promise to the business community was that they would not reverse the process of economic reforms if elected to power.

(ET, 29 March)

Dominant role for MNCs sought

Joining issue with the Confederation of Indian Industry (CII) on the role of multinationals in the Indian economy, the Federation of Indian Chambers of Commerce and Industry (FICCI) today said that it would be necessary to assign multinational corporations (MNCs) dominant, leading and supportive roles in various sectors so that their expertise, management powers and finance can give a critical push to Indian economy.

The FICCI president, Mr. Deepak Banker, in a statement issued here has said that there would be need to impart transparency in the rules and regulations that govern foreign direct investment so as to encourage foreign investors to position in India in a large manner. According to Mr. Banker, these policy decisions have to be taken to ensure that the MNCs continue to play a vital role in the economic development of the country.

The CII had recently created a controversy when the deliberations of its internal meeting became public. Apparently, the CII has now called for a restraint on the role that the MNCs are playing in the Indian industry, particularly their tendency to raise their equity stake and dominate a joint venture. Also, the tendency to replace Indian executives with foreign nationals is also being opposed.

FICCI, on the other hand, has emphasised that there is a sense of urgency in attracting foreign investment since India requires a commitment of 30 percent of the gross domestic product (GDP) for investment purposes and the

domestic savings rate has reached a plateau. Quoting a FICCI analysis, Mr. Banker has said that India could effectively absorb foreign investment worth \$ 30 billions every year, particularly in the power, roadways, telecom and food processing sectors where multinational corporations play a dominant role.

Chalking out the role for MNCs further, Mr. Banker has said the export sector provides ample opportunity to the MNCs to play a lead role as was the case in the globalisation of the East Asian economies. "MNCs should be encouraged to invest in this sector in large numbers. There is a dire need to step up export realisations in view of the increasing debt-servicing obligations and import requirement. MNCs have the financial base to bring into the country adequate investments, technology and working capital to produce for the international market," Mr. Banker adds. Touching on another important sector, the consumer goods sector where the entry of the MNCs has not been favoured by the CII, Mr. Banker has stated that the FICCI envisages a crucial and supportive role to the MNCs in the field of consumer goods. "The FICCI envisages a greater role for the MNCs in this sector in the coming years", he said.

In conclusion, Mr. Banker has said that it was a happy augury that there was a basic trust between Indian businesses and multinationals and that it was necessary to continue a healthy dialogue between the two on policy and procedural issues.

A similar viewpoint has also come from the third major chamber in the country, the Associated Chambers of Commerce and Industry Assocham which held its managing committee meeting in Madras today. According to the Assocham) president, Mr. S. M. Datta, there was need to allow foreign investment in the consumer goods sector without the condition of "dividend balancing". Assocham has also called for transparency in clearing foreign investment projects to remove ambiguity and to accelerate foreign investment inflow, particularly in the infrastructure sector.

(Hindu, 27 March)

Home ground but Still

Why CII? Why now? For those who have been following economic events closely during the last five years, the absolutely unexpected

outburst by the Confederation of Indian Industry (CII) against multinational corporations (MNCs) came as a matter of complete surprise.

More than the policy issues involved, the provocation and the timing of the CII statement were intriguing.

As has been pointed out on earlier occasions, one of the major items on the "unfinished agenda of economic reforms" remains the question of support to domestic companies vis-a-vis foreign investors. This matter has been very much on the mind of Indian industrialists right from the opening up of the Indian economy in 1991, so much so that one of the top figures of the Federation of Indian Chambers of Commerce and Industry (FICCI) at that point itself had announced that the new policies would make Indian industrialists "second class citizens" in the country. By 1993, some of them made bold to publicly announce the formation of the Bombay Club, after a conclave in that city to point out to the Government the absence of a "level playing field" for Indian and foreign companies. The demand for a level playing field did not actually imply a level field; implicit was the request that the ground be tilted in favour of the domestic industry.

Till date, the matter remains unresolved and the Government too has not yet made clear

its preferences. A chance came during the corporate battle at the ITC, when the then Chairman, Mr. K.L. Chugh, made it a "swadeshi vs. videshi" fight as he tried to keep the company's principal overseas shareholder, BAT from dislodging him. The Indian financial institutions which hold a decisive stake in ITC's equity, finally intervened, but not in favour of Mr. Chugh. The Government played safe; Mr. Chugh had to go but BAT too could not get its own nominee as replacement. Still, corporate watchers cannot say with any certainty who won the ITC-BAT battle—the swadeshi or the videshi.

To get back to the original issue, the provocation for the CII to openly air its views. That still remains a matter of speculation but the immediate response of a senior Finance Ministry official was "The fellow seem to have got scared of competition. Indian industry was and continues to be extremely reluctant to take on competition and is comfortable to continue to go the way it was going—low in productivity and quality but high on profitability."

There are some basic points that Tarun Das, DG of CII, has made about the role of the MNCs in India. His first objection is to the "sales approach" adopted by the MNCs whereby there is a tendency to access the Indian market through minimum production on the ground and maximum production at the home base. A by-product of this approach is the continued import of components rather than going in for Indian made components and parts. The second trend he notices among MNCs is focussing on the short term rather than the long term, the strategy being to generate profits quickly rather than to go for the long haul, be patient, stay in India and build credibility as a steady process. The third is to bring in technology and products which are being phased out in the home country of the MNC and not to bring in state-of-the-art technology or the most modern products.

Before progressing further with Mr. Das, take a break and listen to those who do not agree with him. His first point about maximum production at home and the least in India by the MNCs and the continued dependence on imported components. Opponents of Mr. Das have a ready answer to this—while there may be a tendency to adopt a "sales approach", the deregulation of the foreign exchange market should take care of such tendencies. Since the forex

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market now broadly reflects the demand and supply of foreign currency, any excessive reliance on imports or imported components is bound to make the product of the MNC uncompetitive as a depreciating rupee will push up the import cost. Secondly, with competition allowed in almost every field of activity where the MNCs are operating, such operations are bound to prove unproductive and will show up on the balance sheets. There may of course, be some instances where vendor development has not yet taken place in India and the MNCs continue to depend on imported components, but that could hardly be a long term practice unless the MNC's mandate is to make losses.

The second point of Mr. Das—about a short term strategy for making a fast buck and folding up business here. Unfortunately, Mr. Das has not cited instances, his opponents say, but on the face of things, most of the multinational companies which have opened shop here are reputed international business entities who do seem to have made a conscious investment decision about India. To expect that the entire bunch comprises fly-by night operators, looking out for a fast buck does not cut much ice with the opponents of Mr. Das.

The third point about bringing in obsolete technology and outdated products does not seem to be an across-the-board tendency. Given India's history of protectionist tariff barriers and policy framework, there are many areas where the product improvements elsewhere have by-passed the Indian market. Bridging this gap in one go is not an easy task and the Indian consumer may not yet be willing to go all out for the latest product at a prohibitive cost. But even then, many international companies have brought in fairly latest technologies, be they in the computer segment or automobiles. To brand the entire lot of MNCs as passing on outdated, obsolete products is stretching the argument a bit far, says the opposition to Mr. Das.

The next lot of points made by the CII Director General merit more attention. He points to a tendency on the part of the MNCs to first get in to India with an Indian partner on a 50:50 or 40:60 basis, get sanctions and approvals quickly and then having reached a certain minimum level of comfort in India, to want to move quickly to 51 percent equity holding. Another trend he has noticed is that of the MNC opting for a 100 percent subsidiary despite having a joint venture company with an Indian partner.

Both these points have substance, the opponents of Mr. Das concede, but it is here that suspicion arises as to the timing of the CII statement. The question of equity holding by foreign investors in joint ventures, the issue of permitting wholly owned subsidiaries etc., were all debated at various fora before the Government formulated its policies. Correctives too have been suggested along the way and in many cases these were accepted by the Government. The CII, all these years, was seen to be at the forefront, liaising with the foreigners, organising meetings between Government functionaries and foreign investment delegations and, most importantly, perceived as one of the closest advisers to the Government on liberalisation. The CII, it must be remembered, is the India chapter of the World Economic Forum which from its headquarters at Davos in Switzerland has been in the forefront, advocating free economy and market competition as the policy prescription for economies on the growth path.

Coming as it does five years down the line, the CII apprehensions on these counts reflect some shades of xenophobia. The opponents of Mr. Das also point to the fact that if the CII now wants changes in policies, it would result in another anomalous situation where India would have companies permitted under one set of rules while there would be some new ones which come in under a different regulatory framework. This sort of a situation had arisen earlier when some foreign companies which had come in during the late Eighties under some specific rules and regulations found themselves constrained under the new economic policies of 1991, the Pepsi vis-a-vis Coca Cola issue being a case in point. To drastically change policies again, within a short span of five years, would considerably damage the credibility of the policy framework, the opponents point out.

There are some other issues raised by the CII Director General, about using expatriates as senior executives of joint ventures by-passing native talent or import of second-hand plant and machinery. Not much importance is being attached to these points as imports of second-hand machinery is a permitted policy and in any case, many of the Indian companies too have imported such plants, particularly in the steel and petroleum sectors. There are strict norms attached to the import of such machinery and to generally make out that these are obsolete or outdated would not be correct.

As for the appointment of expatriates at top levels, the point to be noted is that not all Indian personnel are being replaced by foreigners. In any case, recruitment policies should be left to individual companies, it is felt.

The question, thus, remains. Why did the CII come out with such a statement and at a such a time. There are some reports that an influential section of the CII membership, mainly belonging to the Bombay Club and some of those who are in the automobile and the consumer goods segments, felt it was time that some noise was made against foreign competition. Apparently, they were keen on an official statement from the Confederation, but things turned out in such a way that a statement from the Director General was all that came out. That leaves scope for rectification by the top office bearers, in case the reaction is too sharp.

Whatever may have been the provocation for Mr. Tarun Das to come out with the statement, the fact remains that there is scope for a debate on the role of the multinational corporations in the Indian economy. But, that would have to be a proper debate, backed by substance and data and with the involvement of the MNCs too. The collective interest of the domestic industry and foreign investors should be -to see that Indian industry gains from competition, becomes internationally competitive and provides a fillip to the growth of the Indian economy with benefits for all. A thorough debate in that context is definitely needed.

(Alok Mukherjee, in Hindu, 31 March)

Is it Swadeshi Vs Videshi?

It is not difficult to see that CII is not against MNCs and IMF - WB dictated SAPs. It wants only better playing ground for Indian compradors. At the most its statement and hobnobbing with BJP's Swadeshi brand leaders are attempts for manoeuvring for a better share of the loot. But FICCI came out immediately proving its total loyalty to imperialist capital. Soon pen-pushers for the MNCs also came out with shrill attacks on even mild criticisms on MNCs. They depict even the feeble manoeuvring by CII as a fight of Swadeshi Vs Videshi. They even go to the extent of depicting BJP as a Swadeshi party much to the delight of BJP leadership. It is a gift to them during these election days.

Even a study of the above extracts show that there are no basic contradictions so far among CII, FICCI and Assochem, or within any of them. All of them welcome MNCs and foreign capital. CII is only pleading for a better share for the Indian concerns. To read anything like a Swadeshi Vs Videshi fight in it now is absurd, though the possibilities of increasing conflicts of interests may come up in future as neocolonisation intensifies.

Depicting BJP or a section of it as Swadeshi is a clever game. Basically Congress and BJP are two sides of the same coin in all basic policies and are main representatives of the ruling classes. In their quest for power though both of them may utilise the minutest differences among the ruling classes in their favour, to dub it as Swadeshi Vs Videshi fight is contrary to facts. All progressive forces should see through it.

As far as the broad masses are concerned Swadeshi means Kicking out IMF-WB-WTO-MNCs, coriting off imperialist debt, and confiscation of imperialist and comprador capital. They can utilise the conflicts among the ruling classes, if any, only if they serve the achievement of these aims. It is with this perspective they should study any sings of conflicts among the ruling classes whenever they emerge.

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Bolivia: Anti IMF-WB revolts

From capital Lapaz to interior most areas Bolivia is facing a mighty people's revolt against IMF-WB dictated economic policies which have pauperised the masses to unprecedented levels. In the anti-government demonstrations in Lapaz on March 27 tens of thousands of workers, public-sector employees, teachers, youth and students participated. These militant demonstrations paralysed the city. Bolivian Workers Confederation has called for more determined struggles. Police repression leading to the death of a worker has only intensified the struggles.

Three years back when present president Gonzalo Sanchez took over he speeded up structural adjustment policies. The public property was increasingly sold out to foreign and native rich. Last year following prolonged worker's resistance to these policies a state of emergency had to be declared. Now inspite of emergency rules, inspite of mounting repression, inspite of appeals by church authorities the struggles becoming more intensive.

Okinawa: Anti-US protests

April 1 was the anniversary of the World War II landing of US forces in Okinawa in 1945. Half a century ago when it happened many Okinawans had committed suicide rather than surrender. The abduction and rape of a 12 year old school girl by three US army men last September once again became a flash-point to renew anti-US protests there. Okinawans went on vacation of the large US base for nearly half a lakh strong US force. Landowners refuse to renew the lease of their land. They resent Japanese government's high-handedness in allowing the virtual US occupation of the island. The number of protesters in front of US base is increasing day by day. They reject US and Japanese governments' arguments that presence of US forces are necessary for security of Southeast and Eastern Asia. Okinawan people like increasing number of peoples everywhere feel that it is the presence of the Yankees which is the most dangerous security threat.

Students, teachers revolt in Belgium

More and more imperialist countries, big and small, are besieged by revolts by different sections of broad masses as the imperialist

governments are imposing cuts of welfare measures, closing down welfare institutions and laying-off or retrenching workers and employees. The latest revolt is in Belgium where 2800 high school teachers were laid-off as a result of budget cut-backs. Thousands of teachers and students took to the streets in militant demonstrations. They clashed with police and other 'security' forces. There is no end to this turmoil inspite of intermediate lull periods as budget cuts are affecting more and more sectors.

Yeltsin's U-turn

The voting in Russian Duma overwhelmingly supporting the restoration of Soviet Union dissolved five years ago is a reflection of the mood of the broad masses not only in Russia but also in other former Soviet Republics. That the Communist Party of Russian Federation (CRPF) is trying to utilise this people's mood for the victory of Zhuganov in coming presidential election does not mean a return to socialism as CRPF is wedded to capitalist path with socialist camouflage as Krushchov to Gorbachov were doing earlier. But Zhuganov's pledge to follow Yeltsin's economic policies has not helped him to win the support of the G-7 forces or the Russian Orthodox Church. Imperialist forces and Church do not want the return of red flag however yellowish it is in CRPF hands. So they have started plotting for re-election of Yeltsin.

Clinton's secret deal with Yeltsin is now international news. US imperialists are ready to go to any extent to retain Yeltsin. But as people in former Soviet Republics are becoming aware of the fate of secret deals of treason arrived at between Gorbachov and US leaders followed by the one between Yeltsin with them, anger in mounting.

US leaders had promised step-by-step demolition of NATO once Warsaw Pact is scrapped and east European states are subverted the way imperialist west wanted including reunification of Germany. Working on this promise Gorbachov not only speeded up drastic changes in eastern Europe but also wrecked Soviet economy in the name of glassnost and perestroika. Inspite of this act of treason by Gorbachov, now NATO is further strengthened and its tentacles have started reaching borders of former Soviet Union by attracting former east European socialist countries to its fold.

US imperialism sees no threat in post-election period

US is confident that outcome of elections in India would not reverse the policy of economic liberalisation. In a meeting with Calcutta business men (Economic Times, 28 March) Mathew P. Daley, deputy to US ambassador said there could be changes in the priority of certain industries, but on the whole the direction of reforms in the country would remain unchanged. He was also confident of West Bengal government following the liberalisation policies.

Indian media grieve over Ron Brown

Ron Brown, US commerce secretary, on a trade mission to Bosnia and Croatia alongwith US businessmen died in a plane crash in Croatia. After breaking up Yugoslavia and neocolonising the republics through a four year

old bloody civil war now US imperialism like its imperialist rivals are engaged in plundering this region through 'aid' and trade. At the broad masses in this region and elsewhere are concerned there is nothing to grieve over the death of Ron Brown who was personally leading an imperialist trade mission to plunder the people.

But Indian media wrote so much on Ron Brown once again showing where their loyalty lies. For them he was the one who put India on US market map. He "recognised India as a big emerging market and accorded it priority status in US agenda". By doing so who got the benefit is now widely known. They write "He made a widely reported trip to India in January 1995 not only carrying with him a planeload of *Fortune 500* executives, but emblematic of the savvy he is famous for he took along a few delighted Indian-American businessmen too". See the real nature of these US patriots who excel in eulogising an imperialist chieftain whose main concern always was how to loot the masses in this country in company of the native ruling classes.

Again, Yeltsin was promised the rewards of generous grants through IMF, WB and other agencies for dissolving Soviet Union. Former Soviet Republics were also instigated to separate promising generous aids and gifts. Once SU was dissolved all these promises became like writings on water. Pressure was exerted making Rouble to crumble. Economy of Russia and other former Soviet Republics were ruined. Instead of helping G-7 and even smaller imperialist powers entered to plunder and corner real estates and industrial units at damn cheap rates. It was a much more ruthless plunder than the ones staged by feudal conquerers in the past. Further, these imperialist powers instigated Chechnyan like revolts threatening even the disintegration of Russian Federation. All these developments provoked mighty people's revolts. And the 43rd anniversary of Stalin's death witnessed massive demonstrations calling for return of socialism and restoration of Soviet Union.

Yeltsin has found that his collusion with US leaders and other imperialist powers has made him a most hated ruler. His fascist measures to suppress even nominal opposition also have started showing their results. Yeltsin is under people's siege, like Walessa was in Poland earlier. A fate worse than that of Walessa's is

threatening Yeltsin.

That is why Yeltsin and his supporters are plotting tactics to return him to power in coming elections. Clinton has promised all out support for Yeltsin's reelection as he is afraid that a negative result in Russia will affect his election also. Ten billion dollar loan is pushed through by World Bank-IMF. Besides Yeltsin who rebuked the Duma for voting for the restoration of SU is now engaged in signing political and economic agreements with former Soviet Republics for closer union. One such accord was signed in a pompous Kremlin ceremony by Yeltsin and Belarus president Alexander Lukashenko in the presence of patriarch of Russian Orthodox Church. More such agreements are planned with other republics bilaterally and multilaterally. Besides Yeltsin is taking initiative to establish closer relations with Chinese, Indian and Iranian governments. Russian foreign minister's recent visits to these countries were part of this manoeuvre. Yeltsin is trying to distance himself from western leaders also for the time being.

But anything short of a sabotage of the presidential elections are not going to help Yeltsin. He is bound to face a fate worse than that of Walessa.

News from States

Maharashtra: Anti - imperialist day programmes

Ahvan Prakashan published Ho Chi Min's poems, Prison Diary, on Bhagat Singh Day in Marathi in a well attended programme. Com. Sridhar Pawar who presided reminded the importance of these poems and the historic Vietnamese struggle. Prof. Nerurkar upheld the relevance of Vietnamese struggle and Ho Chi Min in present anti-imperialist movement. He hoped the youth will emulate the struggles of the past including the sacrifice of Bhagat Singh like comrades. Com. Vahru Sonawne, poet and activist, called for getting inspired from the experiences of the past and to struggle for fulfilling the aspirations of various sections of people for liberation, to struggle for an egalitarian value system. Com. Satish Kalsekar, poet, presented a selection of Ho's poems. He called on the youth to become Communist, not only in theory but also in practice. Ahvan Natya Manch team led by Com. Sambhaji Bhagat presented revolutionary songs and a skit. Comrades from DWA also presented revolutionary songs.

CPI (ML) Red Flag activists and supporters observed March 23, Bhagat Singh Day, as Anti-imperialist Day as part of the on going 'Anti-hawala campaign'. Postering was carried out calling upon people to launch united struggles against all forms of new imperialist offensives.

Orissa: March 23 programmes

On March 23, the day on which comrades Bhagat Singh, Sukhdev and Rajguru laid down their lives 65 years ago to liberate the country from the yoke of imperialism, a public meeting was organised at Bidyadharpur, Bhadrak district

One after another, daily, incidents are accumulating through which the compradors and their media are openly, nakedly embogising their servitude and collusion with the imperialist masters led by US imperialism. It is the responsibility of the progressive forces to hate these compradors and their masters and the ruling system they run.

by RYF and Kheta Mulia Sangathan (Agricultural workers organisation) of Tihidi area. The meeting started with floral tributes to the martyrs. Com. Khivasindhu Mahalik presided. Comrades Kuntala Kumari and Vijaya presented revolutionary songs. Comrades Sivaram and Dharanidhar Dash spoke highlighting the revolutionary life of Bhagat Singh and other martyr comrades and the relevance of learning from their struggles today. Hundreds of youth and peasant comrades from the area participated in the programme held at 'Shahid Bhagat Singh Square'. The place reverberated with revolutionary songs and militant slogans.

Letters to the Editor

Hindutua forces and women

If the policies adopted by a political party can be judged not by the preachings but by its practice, the January 18 BJP rally in Jaipur (Rajasthan) supporting the men who raped Bhanwari, a village satin, can be cited as one of the best examples for the reactionary attitude of Hindutua forces towards women, especially to those belonging to oppressed sections and minorities. The rally was led by Kanhaiya Lal Meena, BJP MLA from Bassi district in which falls Bhanwari's Bhatari village. Leader of the Mahila Morcha, women's wing of BJP and MLA invited the accused men to the dais and garlanded them. Speaker after speaker called Bhanwari a liar and hailed the judgement of the court setting free the accused, while the BJP crowd wanted her to be hanged or burnt alive.

Rajasthan government led by BJP has maintained stony silence about these ghastly developments while BJP leadership has not taken any action against the MLA. Further the rally had the backing of the village head of Bhanwari's village, a Congress man. It shows how the interests of women are 'protected' by BJP and Congress.

-A comrade from Goa-

The Philippines: What is the NDF?

The National Democratic Front of the Philippines (NDF) is the principal alliance of progressive and revolutionary organizations fighting currently for national freedom and genuine democracy; it is led by the Communist Party of the Philippines (CPP). The NDF was founded in 1973 after Ferdinand Marcos declared martial law and outlawed many progressive mass organizations.

The NDF believes that true national liberation requires a two-stage revolution—the national democratic revolution currently being waged and the subsequent socialist revolution that will immediately be undertaken upon the nationwide victory of the current stage. As part of the national democratic revolution, the NDF develops links with other positive forces, including progressive elements from the Filipino bourgeoisie, in order to build the broadest possible unity against U. S. imperialism and local reactionaries.

Because the U. S. imperialists are armed to the teeth and will not give up their privileges and stolen property without a fight, the NDF is waging an armed struggle for national liberation with the New People's Army (NPA). Led by the CPP, the NPA is fighting a protracted people's war, which fundamentally depends on the political unity and organization of the masses.

NDF Allied organizations

- * Communist Party of the Philippines (CPP-MLMZT), re-established along explicitly Maoist lines in 1968, provides the leadership in the Philippine revolution.
- * New People's Army (NPA), special mass organization of the CPP and principal armed force of the NDF.
- * Revolutionary Council of Trade Unions (RCTU), an alliance of revolutionary trade unions.
- * Pambansang Katipunan ng mga Magbubukid (PKM), National Association of Peasants, including farm workers.
- * Kabataang Makabayan (KM), Patriotic Youth and students.

* Makabayang Kilusan ng Bagong Kababaihan (MAKIBAKA), Patriotic Movement of New Women, underground organization of women.

* Cordillera People's Democratic Front (CPDF), an alliance of various indigenous people's Cordillera region of Northern Luzon.

* Christians for National Liberation (CNL), an underground organization of church and lay people.

* Katipunang ng mga Gurong Makabayan (KAGUMA), Association of Patriotic Teachers, including educational workers.

* Katipunan ng mga Samahang Manggagawa (KASAMA), Federation of Labor Organizations, also includes the semi-proletariat and the urban poor.

* Artista at Manunulat ng Sambayanan (ARMAS), Artists and Writers for the People, a league of cultural activists, including those in film, TV, radio.

* Makabayang Kawang Pilipino (MKP), underground organization of government employees.

* Makabayang Samahang Pangkalusugan (MSP), Patriotic Health Association, for doctors, nurses, medical students, community health workers, etc.

* Liga ng Agham para sa Bayan (LAB), League of Scientists for the people.

* Moro Revolutionary Organization (MRO), underground organization of the people in Mindanao, southern Philippines.

* Revolutionary Organization of Lumads, revolutionary organization of indigenous peoples in southern Philippines.

NDF Twelve-Point Program

Approved during the NDF First National Conference of July 1994.

1. Unite the people for the overthrow of the semicolonial and semifeudal system through a people's war and for the completion of the national democratic revolution.
2. Establish a people's democratic republic

and a democratic coalition government.

3. Build the people's revolutionary army and the people's defense system.

4. Uphold and promote the people's democratic rights.

5. Terminate all unequal relations with the United States and other foreign entities.

6. Implement genuine agrarian reform, promote agricultural cooperation, raise rural production and employment through the modernization of agriculture and rural industrialization and ensure agricultural sustainability.

7. Break the combined dominance of the U.S. and other imperialists, big compradors and landlords over the economy. Carry out national

industrialization and build an independent and self-reliant economy.

8. Adopt a comprehensive and progressive social policy.

9. Promote a national, scientific and pro-people culture.

10. Uphold the rights to self determination and democracy of the Moro people, Cordillera peoples and other national minorities or indigenous peoples.

11. Advance the revolutionary emancipation of women in all spheres.

12. Adopt an active, independent and peaceful foreign policy. ●

(from P. 6)

We cannot escape our responsibility by assailing the cause of dissolution and defeat of NCCR, a broad alliance of rail mazdoor struggles only on the leadership of AIRF. We must have to accept that there were no revolutionary elements in the leadership of NCCR, or even if they were there, they might have been in a very weak position.

In erstwhile Soviet Union, the working class controlling the political power was dethroned, their unity and the ideological struggles were smashed. By whom? It was done by the traitors, the so-called communists from Krushchev to Gorbachev - Yeltsin clique, controlling the leadership in the communist party and among the working class in U. S. S. R. In socialist China, the restoration of capitalism was managed by 'Teng' gang usurping the leadership of the communist party and of the working class. Hence the question of leadership is paramount and can in no way be diluted.

In this situation who should lead it? What political, ideological, strategical and tactical line we should undertake to curb the revival of aforesaid horrible consequences, in order to prevent the fruits of the great sacrifices of working class being drained in favour of exploiting class?

It is said that "Let this convention be a living platform of exchange of views and contentions of different ideas. Let us agree to disagree on some points, but unite on action on minimum agreed points" put forth by *Rail Mazdoor Vichar Manch*. We support it as it is coinciding with the principle - 'let the hundred flowers blossom together'. *All India Railway Engineering Workers' Association*, which is a

category organisation of the most exploited, suppressed and majority workers of Indian Railways, and which is getting help from *Rail Mazdoor Vichar Manch* for mobilisation is always with you for the above said aims and direction. We (the working class) had captured the political power in Russia defeating our enemy, governed very boldly and successfully for 35 years and set an extra ordinary example for the upliftment and development of the majority working people. Imperialism succeeded in overthrowing the working class regime through our own comrades with the weapon of revisionism without spending a single bullet. Our grand success was changed into saddest defeat. We have learnt to be more cautious about revisionism and liberalism. The new edition of our revolutionary struggles have started. We will again win and win very certainly. ●

(from P. 24)

attack Marxism - Leninism also. Instead of fighting this counter-revolutionary trend some organisations who claim to uphold Naxalbari have degenerated to open advocacy of 'Amb-edkarism' also.

The surfacing of these and similar non-proletarian trends under the facade of Naxalbari is the result of the powerful influence of sectarianism in the movement. These are basic deviations from the Comintern positions and 1963 General Line of CPC. Today upholding Naxalbari struggle means uncompromisingly struggling against Krushchevite right opportunism as well as these various sectarian, non-proletarian tendencies, and mobilising the masses under proletarian leadership for a protracted struggle to complete the New Democratic Revolution. ●

COM. T. M. NAGARAJAN

Com. T. M. Nagarajan, founder and president of Delhi General Mazdoor Union, passed away on 28th February, 96 at M. P. Heart Centre, New Delhi. He was 64: Red Star joins his hundreds of worker comrades in remembering com. Nagarajan and extends heartfelt condolences to his bereaved family.

Starting his political career as a student activist he was in the thick of workers' struggles even while working as a journalist. He led many struggles of journalists and press workers against yellow press magnates. He left leading position in CITU differing with the political line of CPI (M) and organised DGMS. Under its banner he has led many militant TU struggles.

During his last days he was convinced about the intensifying neocolonial plunder of the people and challenges confronting workers and other toiling masses. He had agreed to participate in the Coimbatore Convention organised by TUCI in December 1995 which he could not due to sudden illness. But in his message to the Convention he called for countrywide militant proletarian struggles against imperialism and its native lackeys.

His untimely death is a great loss to the revolutionary movement in India.

(from P. 2)

the era as that of *total collapse of imperialism and worldwide victory of socialism* and used it to justify its theory of peaceful transition. In the name of combating it the Lin Piaoist trend which dominated CPC during its Ninth Congress utilised the very same new era concept to lead the newly emerged Marxist-Leninist organisations along with CPC to severe sectarian, left deviationist positions. The havoc created by both these trends to ICM is part of history now. In spite of it some of the organisations who claim to uphold Naxalbari still persist in this *new era theory* and drag themselves to right opportunism or left sectarianism.

Once again, in continuation to Comintern analysis the CPC *General Line* of 1963 had

explained the transition of imperialist plunder from colonial to neocolonial phase. Without grasping it the present nature of imperialist offensive in the Afro-Asian-Latin American countries which are transformed from colonies/semi colonies to neocolonies in the post-Second World War period cannot be correctly analysed. But most of the organisations who claim to uphold still persist in characterising India as semi-colony refusing to concretely analyse the present concrete situation.

Similarly the severe damage done by the presentation of *Three World Theory* as the strategic line of the ICM by the Deng Hua clique in late seventies is now well evident. The genesis of such class-collaborationist concepts from the time of Bandung Conference/Non-alignment movement in the fifties calls for serious studies. But in one way or another many of these organisations are still not ready to make a rupture with these non-class theories and trends.

In a multi-national country like India, the positive resolution of national question is possible in the present era only under proletarian leadership and as a part of NDR. It is proved in numerous cases from Algeria to South Africa. Attempts by sections claiming to uphold Naxalbari to project nationality question one-sidedly have already led them to degeneration or dissolution also. In spite of it the organisations behind AIPRF have once again embraced the narrow-nationalist position preferring an alliance with the bourgeois-petti bourgeois opportunist movements.

As neocolonisation of the country is intensifying and class contradictions are sharpening day by day there are conscious efforts from the ruling class side to counterpose caste question to all present crises. In this way ruling class is aiming not at abolition of caste-system or even lessening of caste-conflicts, but perpetuation of caste divisions. Almost all Dalit organisations are also led to this blind alley by them. A study of the Indian situation shows that only where left movement is strong the caste oppression has gone down atleast to a certain extent. Denying these realities there are allround efforts to project 'Ambedkarism' which is vulgarising even the teachings of Dr. Ambedkar and going back even from his positions as the new ideology of the oppressed. While doing so the protagonists of this *ism* vehemently

(contd. P.)