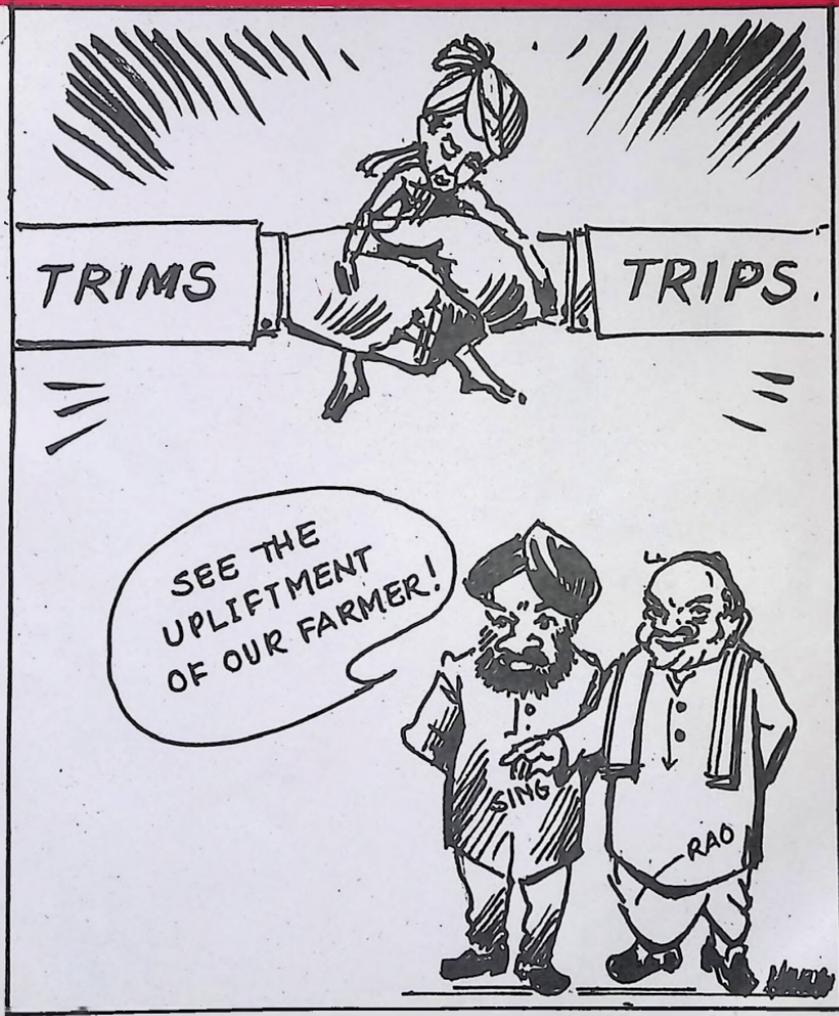


Janashakti

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Editorial :

ATTEMPTS AT RECOLONISATION

The Draft Final Act embodying the results of the Uruguay Round of Multinational Trade Negotiations' release on 20 December 1991 by Arthur Dunkel, Director General of GATT (General agreement on Trade and Tariffs) -- in short, the Dunkel Draft - to its 108 member-countries for agreement on "take it or leave it" basis, is very much a part of the efforts to restructure the international economic relations in tune with the New World Order, which wants to establish the supremacy of the imperialist countries, particularly that of the US super-power.

It is not only the content of the Dunkel draft that signifies the imperialist attempt to perpetuate its dominance, but the very manner of presenting the Dunkel draft to the third world countries, constantly ignoring every objection raised by them and the naked bullying and dangling of special and super 301 threats, are steam-roller methods to convert the Third World into an appendage of the imperialist countries.

The contents of the Dunkel draft have crucial implications for the third world countries in several key areas: Trade Related Intellectual Property Rights (TRIPS), Trade Related Investment Measures (TRIMS), General Agreement on Trade in Services (GATS) and agriculture, besides proposed changes in the GATT rules and its dispute settlement system. In relation to each of these issues the Dunkel draft is against the interests of the third world countries.

The proposals on TRIPS in the Dunkel draft are nothing but global requirements of multinational corporations which want to establish legal monopolies across the world markets. The sovereign right of a country to exclude certain subjects from patentability to serve its specific national interests has been chopped off. The grant of product patent for drugs and pharmaceuticals, food items and chemicals is bound to prevent the development of cheaper and better adopted processes. The Dunkel draft treats the import of patented product as equivalent of the working of the patent in the country. These proposals are a death warrant for the

development of and the utilisation of already existing technological capabilities in India. If India signs the Dunkel draft, it embraces the technological slavery for all time to come.

On TRIMS, the Dunkel draft insists on special national treatment of foreign investors and bars the imposition of any restrictions on them- in respect of the use of local raw materials and components, export obligations, domestic sales, transfer of technology, restrictions on entry into some areas reserved for local investors and even removal of incentives offered to invest in backward areas. Accepting the TRIMS means abject surrender of the Indian sovereign right to regulate foreign investment in accordance with our people's interests and priorities.

On GATS, the Dunkel draft insists on opening up of such areas as finance and banking, insurance and telecommunications, besides health, transport and education. Already the Joint Parliamentary Committee report had indicted the role of foreign banks in the scam. If these proposals were accepted by India, the entire financial resources of our country would flow with full speed into the imperialist countries. The unfair and unequal imposition of GATS proposals is evident in the fact that the Dunkel draft refused to take up the service sector as skilled labour of third world working in the foreign countries which earns more than 30 billion dollars a year for the developing countries that surpasses the official development aid.

The Dunkel draft lays bare a sinister plan for subjugating the agriculture of the third world countries to the imperialist economy under the hegemony of MNCs. This subjugation takes place by insisting on the removal of subsidies to agricultural inputs and the increase in market access for MNCs, besides patent rights for plant-breeders and biotechnology. All the third world countries are employing subsidies to agricultural inputs to achieve self-sufficiency in food production. The removal of these subsidies will jeopardise the food production. The increased market access will lead to large-scale import of agricultural products from the US and Europe which will continue to be heavily subsidised by the imperialist countries. The plant-breeders' rights will lead to higher dependence on and high prices of seeds from MNCs, weakening of national research and

genetic erosion. The Dunkel proposals for agriculture are ruinous to the peasants and disastrous for the economies of the third world countries. The Dunkel draft not only interferes with the internal agricultural policy of India, but it also interferes with the other policy matters such as the sovereign right to provide food security to poor and vulnerable section by insisting on the disbanding of the public distribution system. If the Dunkel proposals for agriculture are accepted by the Indian government, the days will not be far off for the Indian peasants when they find themselves in the same situation as their forefathers who were forced to cultivate Indigo and opium and sell the same for a pittance to the East India Company.

As the Dunkel proposals go beyond the trade in goods and therefore cannot be related to GATT provisions, Dunkel provides for the establishment of the Multilateral Trade Organisation (MTO) which hierarchically will sit above the separate councils for goods (GATT and TRIMS), for services (GATS) and for patents (TRIPS). The MTO will not only have the competence to frame policies in many areas other than trade, but will also have the power to authorise trade sanctions against those countries which fail to comply by making the necessary changes in their domestic laws. The disputes' settlement procedure is heavily loaded against the third world countries.

In sum, the Dunkel draft extends GATT to several areas of purely domestic policy, unrelated to trade and transcending the sovereignty of the third world countries. It reflects an international power structure that reflects the interests of the imperialist countries and perpetuates the exploitation of the Third World.

One of the myths woven around the GATT by imperialist countries is that it has liberalised trade practices and has brought about equal opportunities to its members, which the third world countries believed for so many years. The imperialist countries unilaterally forced upon the third world countries the agreements that were arrived at among themselves in other fora like G-7, OECD, etc. There were no prior intimations and detailed discussions. The "less developed contracting parties" were presented with summary rules to be accepted in toto. Eventhough all are equal in status, the less developed ones were given

weightage according to their share in the world trade. The net result of the GATT negotiations and extending tariff and non-tariff concessions is that the imperialist countries reduced their mutual tariff and non-tariff barriers, but not those in respect of exports of third world countries. On the contrary, in contrast to the trade liberalisation among themselves and emergence of trade blocks like European payments system and later EEC, the imperialist countries resorted to protectionist measures against the exports from the third world. At the same time, they employed instruments outside the GATT and in contravention to the GATT objectives like Multi Fibre Agreement to brow beat the third world countries. All the seven rounds of GATT negotiations that took place before the Uruguay Round has not liberalised the international trade, but has in fact turned it more into imperialist-managed and discriminatory trade. The discriminatory nature is evident in the fact that imperialist countries' violation of Article 1 of GATT, under which the concessions exchanged between the imperialist countries would normally have had to be extended to the third world countries. When India, Pakistan and Egypt started export of cotton textiles to the US, it imposed MFA regulations against these countries while it allowed textile exports from Japan.

The Dunkel draft is the result of Uruguay round which is the most controversial and long drawn out one of the GATT discussions. During the last seven years many disputes arose on the future trade relations among the imperialist countries. The most contentious among these is the 300 billion dollar subsidy provided by imperialist countries to their agricultural sector. It is still leading to frictions between the US and the EEC. The automobile and textile exports from Japan has been become a contentious issue between US and Japan. But no single issue or objection raised by any third world country was ever considered by the imperialist countries. While they have sorted out the issue of the 200 billion dollar trade in textiles to their mutual advantage, they are insisting upon stringent measures on the third world textile exports. The trade frictions among the US, EEC and Japan represents inter-imperialist contradictions, which will persist as long as imperialism exists and express themselves in different forms at different periods of time. But with regard to the third world, they were

unanimous in imposing their will in the form of TRIPS, TRIMS, GATS, etc. and the Dunkel draft is the result of this unanimity among the imperialist countries to plunder and subjugate the third world.

The reaction of the Indian government to the Dunkel draft is conciliatory and deceptive. During the years when the Uruguay round has been under way and the Dunkel draft has been in preparation, the Indian government has liberalised trade policies, export and import policies, and foreign investment procedures as part of implementing the IMF conditionalities for loans. More recently, it has paved the way for foreign finance to enter into banking and insurance. It has formulated the policy of foreign private capital to enter into the hitherto public sector of mining, road construction and transportation. A draft agricultural policy prepared by the central government was in circulation and will soon be adopted. The subsidies to agricultural inputs like fertilisers were already severely curtailed. The public distribution system and food subsidies are on the way out. In essence, most of the practical measures demanded by the Dunkel draft are being implemented in the name of the new economic policy. It clearly shows that the Indian ruling classes have decided to bow before the imperialists and sign on Dunkel draft.

The Indian government's public posturing of opposing and pressing for changes in the Dunkel draft are only meant to deceive the people. The former union minister for commerce, P. Chidambaram, publicly criticised the Dunkel draft while having at the same time, sent a note to the cabinet for discussion, which is totally different from his public stance. A minister who criticised the proposals at a public seminar soon made it clear that this was merely 'posturing' of a sort by pressing for acceptance of the proposals by the cabinet (Frontline, Feb 1992). A note on Dunkel draft text circulated by the central government has underplayed all the ramifications and sinister implications of the proposals and highlighted the so-called 'concessions' made to India. Committed as it is to a policy of giving in all along the line to pressure from the IMF and the World Bank, the Government will surely sign on the dotted line in the case of the Dunkel draft also. Given the anti-people, anti-national, pro-imperialist record of the Indian ruling

classes and their political representatives during the past four and half decades, it is not a surprising development at all.

Obviously, the most urgent task is to oppose these proposals, which needs a firm nationalism and patriotic policy. The Indian ruling classes have already betrayed the Indian people's national and democratic aspirations and mortgaged our motherland to imperialist Shylocks. It is the duty of all the revolutionaries, democrats and patriots to rise and stand as one in defending the interests of our people and nation by committing themselves to build a powerful anti-imperialist movement in India.

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Central Committee's Call

Build a patriotic and democratic people's alternative to fight the Indian ruling classes' economics and politics of collaboration and surrender to imperialism!

Economic policy is an instrument in the service of a political goal. And war is continuation of Politics by other means. The GATT negotiation (Uruguay round) and the GATT text proposals that emanated from the negotiations have a bearing in realms of economics, politics and the military doctrine. The people of an agricultural country like India must be aware of the impact, of the implementation of the policies dictated by GATT in consonance with international credit agencies, upon Indian agriculture. No less importance be attached to the "reforms" sought by the GATT in the Indian industry and financial markets.

Food as weapon :

In 1812 U.S. provided food aid to Venezeula to support a revolt against Spain. During the first world war, US brought food intervention into use to get its way in Europe. Before US's entry into war US judiciously routed food supplies to France and Germany through a Commission for Relief in Belgium. When it entered the war, all the food supplies went to the Allies. Thus the scales tilted with the American intervention. All the while US could sell its surplus grain. As soon as the armistice was signed US pressed for food aid to the vanquished who still had gold reserves, while US still had 18 million tonnes of surplus wheat. This was to prevent communists and nationalists from coming to power in Europe and to ward off a fall in prices of US wheat. US achieved its purpose through food.

US tried to repeat this performance during the Second World War. Its attempts to extend food aid to countries under German occupation through an "International Committee" for small democracies were thwarted by great Britain which strongly disapproved of American food

supplies through German territories.

PL-480 : A Stepping Stone :

After the end of the war, US threw head long into Europe with food for relief of famine. US channelled enormous grain surpluses to Europe. It was alarmed with the spread of communism in Europe and its immediate goals were to stave off this menace and to rebuild Europe as a valid trading partner. The hurdles faced in realisation of gold or hard currency in return for food were surmounted by an arrangement under Public Law 480 of US, which provided for an account to be opened in the central banks of food aid recipient countries, to the credit of US. The funds thus created were to be used for the purposes favoured by US. More than Europe, Third world countries found themselves favoured beneficiaries of the food aid through PL-480. With the connivance of the local ruling classes US dumped food into these countries and bound them in a debt-relationship that transcended the limits of principal and interests and coerced the regimes to bring about changes in policies of vital importance. In a decade, scores of South American, African and Asian countries turned into debtor countries under PL-480. The PL-480 funds were used to increase the sale of US agricultural commodities, to step-up sub-versive activities and to implement the foreign policy of US. The later amendments to the law were intended to switch over the original local currency sales to hard currency sales. PL-480 successfully resulted in developing commercial export markets and since the food was being bought, the disposal of the surplus was no longer a concern. The commercial agricultural exports thus developed were of vital importance to the commerce of US. By 1970s, US faced competition from West Europe and Japan in manufacturing and technology. All through the seventies and eighties US used its food exports in its battle for survival as an imperialist power.

PL-480 -- 'Green' Revolution :

In 1960s, the recipients of PL-480 were compelled to commit themselves to several "selfhelp" measures. These were "to create a favourable environment for private enterprise" to develop agricultural chemical, farm machinery and equipment, transportation and other necessary

industries. Strong emphasis was placed on improving the conditions for foreign agribusiness investment.

PL-480 funds also financed research in the recipient countries. Grants were awarded for commodity research aimed at expanding US market. India has been the largest recipient of PL-480. As a result Indian agricultural policy has been largely determined by US foundations, Universities, and Corporations. In 1965-66 US and World Bank applied pressure on India, that was in throes of yet another famine, to accord greater facilities for US private investment in general and for US fertiliser companies in particular.

As in military sphere, in the industry, commerce and allied activities Europe and Japan followed the lead given by US. And agriculture related business was not an exception.

The High Yielding Varieties in wheat and rice, the products of CIMMYT (Mexico) IRRI (Phillippines) were widely propagated in third world by US under the carefully chalked out programme named as the green revolution. The seeds of HYV became the vehicles of this new agrarian strategy of US, propelled by US pesticide, fertiliser and agrimachinery business. And it had clear political purpose which complemented the commercial gain. The green revolution was to put off the red revolution for certain. It is pushed as an alternative to land reform in the third world.

In 1950's many third world countries saw rising peasant unrest. The ruling classes had to curb the agrarian unrest with violence and stabilise their position. The example of Chinese revolution and its spreading influence alarmed the native gentry and their imperialist overlords equally. Driven by the concern at "loss of China" American agencies and World Bank mobilised themselves for a new programme of political intervention. Science and politics were wedded together under green revolution which is an integral part of new socio politico economic strategy to counter the rising tide of communism in the third world.

American foundations - "INDIAN" research :

In India, private American foundations the US government and World Bank were involved in grafting green revolution upon Indian agriculture. Ford foundation and Rock Feller Foundation remodelled agricultural research and fashioned

extension services according to their design. In 1958, Indian Agricultural Research Institute was re-organised with a former director of Reckfeller foundation as its dean. Hundreds of Indian Scientists were trained in US and India under the US agricultural experts. Indian expertise was integrated with a global network (CIMMYT, IRRI, IITA, CIAT, CID) of agricultural research institutions under US patronage. Many Indian scientists lost their national moorings and for them imposition of agricultural strategies from above came to be considered as natural.

The World Bank and USAID exerted pressure for favourable conditions for foreign investment in Indian fertiliser Industry and liberal import policies to facilitate import of seeds, pesticides, fertilisers and agricultural machinery. During the initial phase of green revolution (1966-71) foreign exchange worth Rs. 1114 crore was allotted for such agricultural imports. World Bank provided credit to realise the technical package transferred by Ford Foundation and Reckfeller foundation.

Government was induced to invest heavily in hastily planned major irrigation projects in chosen locations. Expenditure on such projects rose rapidly from 120 crore (1966) to Rs. 1734 crore (1983-84). Indiscriminate exploitation of ground water was encouraged in areas not touched by irrigation projects.

Under the new method of agriculture thus thrust upon the country, the use of inputs increased out of proportion with growth in food production. Pesticides use increased from 2000 tones per year (1960) to 72000 tones per year (1985). Use of fertilisers increased from 0.2 million tonnes/year (1960) to 7.8 million (1985). Use of plastics in agriculture grew from nil to 1.87 per tonne (1989-90) and is estimated to reach 3.58 per tonne by 1994-95.

Under the green revolution agriculture was transformed from one that is based on internal inputs that are available at no costs to one that is dependant on external inputs for which foreign credit became necessary. Material and financial resources of the entire country were diverted to selective areas which led to serious imbalances in food production and in other aspects of economy.

The HRV Seeds :

Native seeds could not be used to consume high doses of chemicals. The new HYV seeds were evolved to overcome limits placed on chemically intensive agriculture by native seeds. They were to break the nature's limits and cycles. The HYV seeds were the heart of the green revolution. The crop and varietal diversities evolved to withstand the vagaries of nature through generations of toil by Indian peasants were replaced by narrow genetic base and monoculture. Mixed and rotational cropping was eliminated. Emphasis is on internationally traded grains. The new varieties need more water and regular chemical inputs like water, fertiliser and pesticide. In fact they should be called as High Response Varieties. Heavy investments in fertiliser, pesticides, water and energy imposed greater burdens on economy. Intensive agriculture generated severe ecological destruction and created new kinds of scarcity and vulnerability.

After Effects :

After Decades of Green Revolutions While share of Punjab in rice grown area increased, that of Tamilnadu declined. The wheat area of Madhya Pradesh is decreasing while that of west Uttar Pradesh, Punjab, Haryana increased. The percentage of coarse grain, pulses and oil seeds in total cropped area has decreased. Maharashtra, Madhya Pradesh, Bihar, Rajasthan consistently registered a negative rate in agricultural growth.

Out of 25 million hectares of command area under major irrigation projects, half of the area is not yet covered by field channels. While uplands in coastal Andhra Pradesh, Bihar, Sharif, Telangana, Ludhiana, Thanjavur, Kharakat etc. suffer from severe depletion of ground water resources from over exploitation, Nagarjuna Sagar, Kakrapar, Kosigandak, Tungabhadra etc. suffer from problems of water logging and salinity. Eighty seven million hectares out of 143 million hectares of agricultural land stands degraded through over exploitation and neglect. Large funds allocated to existing projects are spent on servicing the debt incurred on their construction. A crack developed in Hirakud dam can not be repaired without a World Bank loan and many dams are threatened by siltation at alarming rate.

In Punjab, the heart of green revolution, 31.4% of marginal farmers and 23.6% of small farmers live below poverty line by 1974-75 prices. Starvation deaths are reported in Coastal districts of Andhra Pradesh. Statewise statistics tend to mislead and when we ignore the state boundaries, the whole of Deccan plateau, Central India, Chota nagpur, and Rajasthan presents the picture of degradation, desertification and perennial starvation.

Two decades of green revolution spread hunger and famine in the third world which now imports food over and above 90 million tonnes per year. The richest in the third world countries eat over 4290 cal/day and the poorest survive even on 940 cal/adults. Drought hit Mali exports groundnuts and cotton, a famine stricken Ethiopia exports bananas and goat meat to Europe. The green revolution increased the marketable surplus amid starvation to feed the affluent urban consumers. It has had the desired effects of fastly increasing the imperialist commercial market for agricultural machinery, fertiliser and pesticides.

Agri business spreads tentacles :

With the green revolution agribusiness firms of US and Europe involved in food processing and distribution of farm commodities entered India. Initially active in dairy related business, they later extended into junk foods like beverages, chocolates, soft drinks, ice creams etc.

A partnership relation grew between food related business and the government. The green revolution provided the material basis. The country's land and labour produced food for these companies to reap profits upon., Government extended every help to minimise the risks eg. Operation Flood.

Nestle dominated the dairy products, while Nestle and Glaxo shared baby foods. Cadbury held sway over beverages. Britannia ruled the biscuits. And cadbury ruled the chocolates. Brookbond, Dunkens etc sold the tea and instant coffee was the exclusive prerogative of Nestle. Cadbury set up extensive retail network for its icecream. Pepsi entered the softdrinks. Its Potato wafers, chips, vermicelli started to adorn Indian dinning tables. Upper class Indian consumers proved worthy customers of

Western food business. These companies now plan to extend their activities into food production, operation of farms and storage, processing and distribution of farm commodities. Pepsi Foods and ITC-Nijjer Food have already entered into contract farming under which the company ties up with local farmers to buy agricultural produce for processing. This leaves the farmer at the mercy of giant corporation as was the case with ILTD in tobacco.

In these new activities, they aim at overseas market as they have done hitherto in Tea, coffee and Rubber. Government is all eager to sell or lease land to companies in agribusiness eg. land for Palm plantation to Godrej. Satellite farms with farmers around a company centre is another method in which the Government lays the groundwork. Here the risks of plantation ownership are avoided.

This kind of penetration into agriculture destroys the local employment pattern, local food crop pattern and turns the villages into virtual EIDorado for foreign agribusiness.

In the coastal area of Andhra Pradesh, Orissa and Bengal, government has undertaken brackish water shrimp and fish culture projects with World Bank credit of Rs. 284 cores 3810 hectares of land have already gone under this scheme. IRDP, RLEGP, TRYSEM and Special components plan FEDA funds are directed to new aqua culture estates in coastal area. Thapars and Tatas are handed over vast stretches of coastal land to be exploited through fishing and prawn culture for export. Foreign companies and joint ventures in fishing are now being given a red carpet welcome by the Indian Government.

The Indian coast is now laid wide open for exploitation by foreign companies. The whole gamut of activities related to fishing are channeled towards overseas markets. The fishermen have to choose between starvation and slavery.

Gene imperialism :

The agriculture related business is reaching out the nooks and corners of the world with unsatiable hunger for profits. Over and above the other agricultural inputs, it is planning to gain a total control over the trade in seeds. In this matter the MNCs dealing in grain and seeds need not be viewed as upstarts and usurpers. Their emergence is the logical

continuation of the green revolution. As they sowed so they reap. It is little surprise that the agricultural and veterinary research institutions might have had become conduits for the MNCs to systematically channelise the geneplasm of the tropical flora and fauna to the latter. Now that they are in possession of varieties of plants and animal species, they find it easier to engineer new varieties and bar their use by any one, but on payment of royalties etc.

The agriculture in US and Europe went through a good deal of change in the past five decades. Lakhs of family farms went bankrupt. Now 4% of 2.8 million US farms produce 96% of food. 1% US feedlots now raise 60% of beef cattle. The corporate farmers with operating revenues of over a billion dollars have replaced the traditional farmers. Cargill, Dreffers, Continental Grain, Central Soya and Beenge not only trade in grain but trade in grain futures.

Imperialism creates scarcity :

Through an extensive system of subsidisation US, Europe, Canada and Australia increased the food output and are surviving it on subsidies. The over production in US and Europe is accompanied by drought and famine in the Third World. The US and Europe are able to increase and decrease the food production by laying aside the cultivable land as fallow by a flip-flop arrangement and thereby they are able to create artificial scarcity and hence high prices for the grain. The parts of third world that joined the non-food agricultural exports business have repeatedly found themselves out of phase with the price fluctuations and such crises have brought ruin upon the third world in every conceivable way.

In this background the proposals in GATT text are of deep connotation and of sinister importance for not only the Indian people but for the third world atlarge.

Hook line and sinker :

The Dunkel's draft text is the result of seven years of negotiations between countries participating in the Uruguay round. In areas where outstanding differences could not be resolved, provisions were drafted by the Chairman of negotiating groups. The text containing these provision goes by the name of the secretary general of GATT Arthur Dunkel.

The text with specific agreements on Trade Related Intellectual Property rights (TRIPS) Trade Related Investment Measures (TRIPS), agriculture, balance of payments provisions, cross national measures, and Textiles is now offered to the third world with "a take it or leave it" option. US, Europe and Japan chose a higher plane to resolve their difference. But the poorer countries are left with no choice but to swallow the Dunkel's draft hook line and sinker. The costs of opting out would be the loss of Uruguay Round package, the loss of benefits and privileges that the GATT system offers even as it stands, and the loss of position in the emerging international economic order.

GATT - The creeping shadow :

The General Agreement on Trade and Tariffs came into being in 1948 as a temporary arrangement, until the Havana charter and international trade organisation (ITO) had to be brought into existence. But the US Congress refused to ratify the charter on the plea of infringement upon US sovereignty. As a result the general agreement remained for 40 Years as a provisional arrangement between countries to sort out disputes over trade and tariff related matters. It is a contract among governments subscribing to it, but not a treaty and it did not have its own institutional arrangements. GATT by and large remained a US dominated affair and US took good care to exclude the Soviet block.

The provisions of the agreement are for the exchange of tariff and trade concessions and to ensure that concessions granted to imported products are not denied by other actions of the government.

GATT as US hand maiden served well the cause of USA, Europe and Japan. Through the GATT modality of negotiating and extending concessions, tariff and non tariff, those countries in successive negotiations reduced their mutual tariff and non-tariff barriers, but not those in respect of exports of third world countries. The GATT process was instrumental in satisfying the demand for space from MNCs and their "trade" among MNCs and within MNCs (between the Principal and subsidiaries). Thus the Third world countries did not benefit from the trade liberalisation measures that resulted from seven rounds of trade talks held under the auspices of GATT.

And all was not fair in GATT too. Japan was forced to cut back textile exports to US before it joined GATT. Several textile exporting countries from the Third world were compelled into long term countrywise quota agreements outside GATT. So much for trade liberalisation.

All such discriminatory and managed trade arrangements represent the price paid by the Third world countries for the launch and successful conclusions of successive GATT negotiation for trade liberalisation.

After the second world war the third world countries joined UN, Brettonwoods institutions like World Bank and International Monetary Fund in large number. But few joined GATT. Slowly the their membership in GATT grew to 67 from 12. Marginalisation in GATT by the US and its allies gradually compelled these countries to choose UNCTAD as forum to discuss international economic relations. Meanwhile the principal participants in GATT engineered favourable proposals for the third world through Heberlers Committee reports 1963 which was never implemented and kept up a lively debate on GSP, ODA targets, concessional financing etc. By 1970's many poor countries came to realise the asymetry in international economic relations and systems and a debate began in 6th and 7th special sessions of UN assembly and NIEO declaration and programme of action were adopted. As a sequel to NIEO decisions CIEC negotiations at Paris, UNTAD negotiations, ECDC, ILO, WHO, etc brought up to issues for negotiations at that time as part of NIEO, and helped to confuse and diffuse the debate. On the other hand IMF/IBRD and GATT ignored NIEO altogether. The efforts of G77 countries to begin global negotiation on economic relations under UN auspices in 1980 were blocked by US and all such hopes were given a burial in 1986 when US launched the Uruguay round of GATT talks at its own initiative.

Imperialism-the deluge :

The period since the end of second world war is marked by an explosive expansion of international direct investment. The multenational companies with subsidiaries in many countries have become the characteristic industrial organisation of the age. These multinationals upset the national balance of payments positions by altering the prices

of goods that are transferred from one subsidiary to another. Enormous sums of money is moved between subsidiaries affecting exchange rates, credit availability etc. All these affect the national interests of the countries where MNC's operate.

The growing instability of the international monetary system has become a major problem of international finance capital. The decline in economic activity owing to the domination of finance capital affected all countries leading to world economic crisis.

The shift from flow of goods to services capital movements credit movements, exchange rates has resulted in transnational money flows. The credit systems of capitalism targeted in services sector facilitates capital movements.

The decline in economic activity owing to the domination of finance capital is affecting all the countries leading to world economic crisis. Internal economic problems of imperialist countries, concentration of world trade among a few capital exporting countries, and arbitrary terms of trade are testimony to this fact.

US- no1 debtor :

The main features of this crisis are: the USA has become No.1 debtor country faced with bankruptcy and unemployment. Russian imperialism is immersed in more severe economic crisis. West European countries and Japan embroiled in the imperfect competition under monopoly and finance capital are trying to retain and further expand their overseas activities. Contemporary capitalism is immersed in stagnation and inflation. US is experiencing shrinkage in capital goods sector and expansion in service sector. A new scenario of mergers closures and take overs has been unfolding in US over two decades. After unification, Germany lost economic and financial surplus that made it the economic superpower of Europe. US security faces threat from a confluence of economic difficulties such as declining living standards, growing internal and foreign debts, economic disputes with allies, purchase of American firms by foreign firms which undermine the capacity of US imperialism to preserve its status as global power. Needless to add that the problems of Russia (former Soviet Union) are

akin to those of USA.

Both USA and former Soviet Union (its successor Russia) faced such problems that are unique to the super powers. In order to face such problems they have been colluding in their common interests against world people.

Collusion and contention between US and Russia has come to widespread notice. The commercial practices of Russia (or Soviet Union) are as exploitative as American and each takes a leaf from others.

A campaign of re-conquest :

The imperialists set about a campaign of reconquest of the third world. They are to lay new channels to drain the wealth of the third world in order to gain a new lease of life. The rules of trade are to be rewritten. The poorer countries are to be converted into a global pool of resources. They are to be policed by an imperialist gendarmerie headed by US and Russia.

Imperialists sought to restructure the international economy and economic relations on the basis of their own agenda. In the imperialist camp from 1980 a consensus has been arrived at the changes to be brought in the trading system. For the US, liberalisation of trade in goods had become largely irrelevant. Opening up of agriculture markets in Europe and Japan, an item excluded from GATT, become important. For the MNCs, investment and trade in goods and in services became interlinked and often the latter dominated the former. Hence imperialists needed new rules of trade.

US needed the acquiescence of European allies and also wanted to involve some large economies of third world in the framing of the new rules. The negotiations that ensued reflect the mutual conflict among US-Europe and Japan and their commonality of interest vis-a-vis the third world. To bring about a change in frame work of world trade and economy, US, Europe and Japan needed an institution as an instrument.

The old instrument- the new purpose :

The instrument would be GATT. Trade is a big area of activity for any country and the third world countries are vulnerable on this front pathetically dependant as they are

on imports and bankrupt as they are on BoP position. Sanctions in Trade can be used as a weapon of coercion and such a punitive system can work in tandem with World Bank and International Monetary Fund and bring about the desired changes in trade and economic policy of the third world country. The Third world countries are in a weak position inside the GATT vis-a-vis imperialists

Third world countries are the weakest inside GATT terms of collective bargaining and organisation. They accepted the 'idea' that GATT is contract among individual contracting parties with varying interests. US opposes the idea of third world unity in GATT. Each country is picked up and dealt with. There is no informal group of poor countries to discuss and exchange information. All the GATT meetings take place behind closed doors. Documentation is restricted. Revelation of proceedings to the press is sparse. There is no group system of negotiations. Only brief consultations between parties to strike the deal are allowed. With a few hours notice such understandings are presented to others and rammed through. Participants in such consultations are selected by a nontransparent method. Junior officials who may represent the poor countries are discouraged from active participation. In negotiations, countries are shown their place according to their trade weight, though all GATT members are theoretically equal.

In contrast to third world countries, USA, Europe, and Japan regularly met on trade issues and at such meetings and at G7 meetings and at OECD meetings they discuss and plan overall economic coordination. In all the negotiations MNCs took part directly and assist government representatives.

The latest round of negotiations i.e. the Uruguay round that was launched in 1986 was unlike the earlier seven rounds of GATT which had sought to liberalise trade in goods, mainly through tariff cuts and new tariff barriers.

Uruguay round is about global production and production capacities and other wider issues. It is not just about issues like tariffs and new tariff measures. It is to reorganise world economy and international economic relations.

In 1982, USA put forward the proposal to launch a new round of negotiations to deal with problems of investment

and problems attendant upon liberalising the free movement of capital and liberalising the trade in services and trade in technology, trade in agriculture and rules to deal with non-market economies. These issues were clearly outside the purview of GATT. US persisted in its efforts to rally the support of Europe and Japan to bring these new items on GATT agenda, and begin a new round of discussion. After facing some initial opposition from the third world, USA and its allies managed to coerce the poorer countries into a compromise over inclusion of both traditional and nontraditional items in GATT agenda and produced a compromise Text known as *café all lait* paper by early 1986.

Thus came into existence 15 items on the agenda of the Uruguay round.

There are normal issues of market access for products. Agriculture and textiles are in the same category though never dealt with in GATT and remained exception to GATT rules and disciplines.

In the second category are the new themes of Trade in Services TRIPS & TRIMS.

The claws and the fangs :

For the imperialists, Trade in services, TRIMS and TRIPS are interlinked. All the three areas overlaps. They framed rules in one field to enable them to achieve results sought in other fields.

The MNCs control access to services, finance and technology under new rules. MNC which began its activities in services can extend into finance or gain a hold on technology. MNCs seek to secure monopoly rents through global control of finance, technology and services.

Rules under TRIMS enable MNCs to produce or import any goods or services. Some privileges can be gained under services. Rules under TRIPS help in gaining the above objectives.

Already fundamental structural changes have taken place in global production and trade aggravating the old division of labour. The ascendancy of finance capital to power in USA, Europe and Japan, the concentration of capital in unproductive fields like communications, services and the decline of productive industry and the attendant distortions

that influenced the economic relations necessitated framing of new rules.

The ultimatum :

Uruguay round is dominated by US, Europe and Japan and by and large it remained a trilateral affair. The mutual differences apart, those countries presented a common front to the third world and rammed through the new issues of GATT without as much of a debate. While the US and allies are entangled yet in wrangles over production quantities in agriculture etc., they managed to hurl an ultimatum at the third world countries in the form of Uruguay round text. The discipline sought to be imposed in agriculture is still an issue of debate between US, Canada and Europe and Japan. Poorer countries stand excluded from such discussions. But the "agreements" on TRIMS, TRIPS, Services, Retaliatory measures, BoP provisions already carry the halo of a settled affair.

We shall examine the items in the Uruguay Round Text or Dunkels draft and try to ascertain the position of the Indian Government with regard to each of them.

Trips -- the net widened :

Patents, Trade marks and other industrial property rights are not natural human rights. They are artificial privileges granted by the state by statute, a form of Government interference in the market place. In the postwar decades patents etc., have been garnered by MNCs who have created monopoly rights over them. Through efforts to universalise patent laws that give owners the right to exploit the patent at international level, the US and its allies are trying to reward the MNCs which would slow down spread of technology to the third world.

The terms intellectual property and industrial property are being used synonymously. The ideas, industrial property and intellectual property are capitalist inventions. Superseding the Berne and Paris conventions, imperialists included new items in both categories and widened their application. The intellectual property strictly means copy right for literary and artistic works and are governed by Berne convention 1948. Industrial property covers patents, utility models and inventors certificates. In recent period

copy rights have been extended to include computer programme, integrated circuits and informatics. The Uruguay text seeks to extend patent protection to biotechnology areas which means a patent system for micro plants and animals.

The whole of Western industry is enveloped in a shroud of secrecy protected by patent laws. But the major thrust for internationalising standards and patents have come from MNCs dealing in Biotechnology and Drugs and European fashion designers of cloths. According to an article in Economist, "Two --thirds of the top selling drugs are retreads of old therapees. Drug research used to be simple. Now biotechnology makes cleverness essential again. Unfortunately academic culture and drug industry culture seem to react tastelessly as port poured into gin. Those scientists who come to the drug industry to get rich and recognised are soon disappointed. Researchers in the industry rarely get a share of the profits from products they discover". This comment gives an insight into the fusion of research and the megabusiness.

Branded seed and calf :

Biological process and products have not been eligible for patent protection. The US and its allies are now trying to make manipulated genes and altered species patentable through GATT. The vast biological diversity of the third world whether discovered or altered or adjusted would become the property of private interests.

The extension of patent rights to seed companies and animal breeders would result in farmers being denied their right to save the seed. They could be forced to pay a royalty every time a seed or farm animal with a patented gene or characters gets an offspring. Even incorporation of characters of one crop to another would be subjected to royalty.

Apart from extension of patent systems to new areas, the Dunkel's text rules to extend the duration of patents rights to 20 years. The patents of MNCs shall have a longer lease and they would be able to indulge in longer spells of rent seeking.

Previous patent laws make it mandatory to work the

patent in the country it was granted and the party is bound to forfeit the patent right in the event of import of product to the exclusion of manufacture. The Dunkel's proposals make a marked departure from this rule and MNCs have been given the freedom to import the product covered by the patent. This excludes any kind of transfer of technology and MNCs can export the product from any base of their convenience.

Those countries having process patents systems have to switch over to product patents system and the Dunkel text prescribed 2003 A.D. as the limit to change the laws and make them operational.

According to the Dunkel's text, if a processor patent holder produces a patent it is incumbent upon the former to prove that the process is novel.

The trade secrets are given statutory IPR protection which is a contradiction of the basic theory behind IPRs. Under the proposal about trade secret, the enterprises concerned would be keeping its information secret but others using the information in their activities would be presumed to have pirated them and would be penalised.

The Dunkel text calls for enforcement of the new patent regime through GATT dispute settlements procedures. This would enable the major trading nation to retaliate against the third world countries allegedly not observing those norms.

To subsidise the mnc's :

Acceptance of Dunkel's proposals on TRIPS is to subsidise the MNCs in the manner they are accustomed at home. Third world consumers would be forced to pay higher prices for variety of products, thanks to the royalties payable to MNCs keeping the patent rights in their pockets.

The plant breeders rights (PBR) a form of IPR, presents MNCs with another opportunity to extract surplus from agriculture. MNCs are appropriating seeds and varieties that belong to the third world countries making some modification in them and taking out patents on them. Through genetic engineering such final touches are given. The seed that is evolved in a poor country through centuries of deliberate breeding is lost to the MNC. According to one study 93.65% specially cultivated horticultural and

agricultural varieties used in first and second world originated in the third world countries.

In India, plant breeding and seed production is largely in the public domain. Plant breeding is undertaken by the agricultural universities and units of ICAR whereas seed multiplication is in the hands of the National and State seed corporation.

Once patenting is accepted in India, almost all new releases will be patented by MNCs by virtue of their gigantic financial capacities.

MNCs pose an unequal financial competition for Indian breeders and seed producing agencies. MNCs will lock up the genes in those varieties patented by them and bar Indian scientists from using their own genetic material unless they pay hefty royalties. A clause in the patent laws allows a patent holder to refuse a licensee even if the licensee is willing to pay.

The claims that MNCs would bring greatly improved seeds into Indian agriculture is not true. Pepsi Foods introduced a variety in Tomato which is a repetition of "Naveen" bred by Punjab Agricultural University. The new Sunflower seed invented and sold by Cargil at Four times the cost of Indian varieties is found to yield an output far less than the Indian varieties.

If Indian institutions are unable to compete financially and denied access to patented genetic material, Indian scientists will find it increasingly difficult to breed new varieties.

If a few MNCs come to control 60% of seed production in the country, they can extend tremendous pressure on Government to their line. Invasion of MNCs into seed business armed with patented rights shall pose a threat to food security of India. MNCs control over seeds is control over the food supply of the country. The agriculture which provides employment to millions of Indians shall be controlled by MNCs which play havoc with rural unemployed with such a strategic area under their control.

Trims Third World - hand cuffed :

Dunkels text prescribed removal of the following trade related investment measures in a period of five years:

1. An investor is obliged to export a fixed percentage of production.
2. An investor is obliged to purchase from local sources a percentage of investors production.
3. An investor is obliged to transfer technology on reasonable terms, in an area unrelated to the investor's production in that country.
4. An investor must sell part of his produce in the domestic market.
5. Incentives are created to induce investor to invest in backward areas.
6. Certain markets are reserved for local firms.
7. The Government shall specify the extent of equity held by an enterprises run by foreign investor and the local capital.

The GATT text prescribes that the MNCs be treated better than the local companies, and no imposition of restriction be laid on matters of foreign equity and transfer of foreign technology on areas of investment and no restriction be placed on import of raw material, components and intermediaries. In short a free rein for foreign capital.

Many of the third world countries have done away with these preconditions under the programme of liberalisation. This is the proof of the sway western capital has over the economic policies of those governments. The Denkal text seeks a permanent repeal of such "abnoxious" conditions on Western capital at the pain of invoking punishments under GATT rules of trade retaliation.

While all governmental measures are sought to be curbed under the proposals of the GATT text, MNCs will be left free to carry on with their own central planning and management decisions over the practices and affairs of various subsidiaries operating in various countries. They are free to concentrate their strategic activities in terms of top management, technology, control and monitoring of world wide affiliates. They shall not be encumbered with any kind of public accountability. MNCs will be guided by the centrally planned corporate decision to maximise profits and global capital accumulation in the interests of the home

countries of the MNCs.

Services :

Access to markets in services like banking, insurance, transport, and communications involve cross border movement of persons, capital, goods and information. The Dunkel text prescribed that no restrictions be placed on the right to establishment of services and national treatment be accorded to services run by foreign investor. Existing agreements in services are sought to be dismissed as mere technical arrangement and as not covering the trade aspect that fall within GATT jurisdiction.

Deliberately services are not defined in concrete terms and definitions are left for future. The statistics that relate the position of third world vis--a--vis the Western Countries in this area are not yet worked out. The third world countries have no idea of what they would be committing themselves to.

The right of establishment and treatment on par with native institutions would amount to encroachment on national economic space and sovereignty.

Agriculture :

In agriculture Dunkel's text imposes discipline on three areas: domestic support (broadly internal domestic measures providing assistance to production), export competition and market access.

For India, food subsidy has to be reduced for items in excess of 5 per cent.

Investment subsidies for agriculture, and agriculture input subsidies in cash or kind (e.g., Fertilisers, credit) would have to be reduced.

Tariffs over agricultural produces must be reduced to 24 per cent over 10 years.

Third world countries depend upon the production and export of agricultural products. A large part of their GDP and majority of labour force is accounted for in agriculture. However countries like India with majority population dependent upon agriculture, government supports food production in some regions to generate surpluses in agriculture for investment in industry and to ensure

availability of of wage goods. Though there is excess of production of food in some Western countries there is no excess production in the world. There are millions of undernourished people in the poor countries.

Except for some specific products like Sugar, majority of poor countries are net importers of food products. Pushed to the verge of bankruptcy some of the third world countries are exporting food products while depriving their native population of the same.

On the other hand, trade in wheat (US, Canada, France and Australia) trade in oil seeds (US, Canada, France), Oil (US), Dairy products (EEC), Meat (Australia, Newzealand, France, Germany) and Beef (EEC) is dominated by the Western countries.

Domestic farm support policies in these imperialist countries have created surpluses making these countries net exporters. To this extent the exporters of the third world are displaced even from traditional markets. The countries are compelled to abandon even the nominal measures designed to maintain apparent self sufficiency in food. In utter disregard of their ruined BoP position, Western countries, mega traders are dumping food products at exorbitant prices in these countries. The poor in these countries are forced to subsidies the MNCs of the West, while their own peasants stand deprived of even minimal help.

Dunkels proposals recommend dismantling of structural support to third world peasants, unhindered access to third world markets for MNCs, and removal of third world from the food export in the name of competitive pricing.

The implementation of these proposals would result in higher world food prices and increase import prices of food for the third world. The improved access of non--food agricultural products form tropics to the world market shall fail to fetch higher prices for the poor countries. The balance of payment problems shall be exacerbated. Food shall even turn into a strategic weapon in the hands of the Western imperialist countries.

TEXTILES AND CLOTHING :

In the area of textiles and clothing, which accounts for a major proportion of third world manufactured exports, GATT

text recommendation reveal that US and Europe want to continue MFA (Multi Fibre Agreement) type restrictions into the next century gradually replacing the present country wise product specific quotas by global quotas that would create competition among exporters but would insulate the Western industry from competition.

India as a major textile exporting country falls a pray to this design.

Balance of payment provision :

GATT text recommends withdrawal of quantitative restriction on imports to solve the Balance of payment problems and withdrawal of curbs on imports through discretionary licencing. It brazenly recommends raising of prices of certain imports as an alternative to quantitative restrictions.

Cross retaliation :

Through the dispute settlement provision under which failure to respect obligation in one sector, say TRIPS, can legitimately invite retaliation in another sector. GATT text legitimises and universalises super 301 of US trade law.

Surrender at fast pace :

Indian Govt. joined the other third world countries in GATT in initially opposing the inclusion of new items like TRIPS, TRIMS, Services etc., in the agenda. But the opposition remained rhetorical in essence. All the traces of opposition vanished by the time of Geneva compromise (April,1989), India along with the other countries stood sidelined in the negotiation that followed.

All the while trade bodies like ASSOCHAM vociferously advocated the acceptance of TRIPS and opening up of Indian market to foreign capital to create environment of "healthy competition"

Proposals on TRIMS seeks removal of all restrictions on foreign investment within a period of five years. Indian Govt. increased the limit on foreign equity form 41 to 51% and later went on to invite 100% foreign equity in several areas. TRIMS proposal prevents the imposition of any performance clause on foreign investment in respect of Forex earnings, foreign equity participation and foreign technology. The

industrial policy resolution of July, 1991 dispensed precisely with such regulations. FERA is scrapped at a go in January, 1993. It requires foreign companies to be treated even better than local companies. The Government is tying itself into knots to please foreign companies. It prevents imposition of restriction on areas of investment. The Government has thrown open areas hitherto reserved for small scale sector. Non-priority areas too are not forbidden for foreign companies. It require free import of raw material componets and intermediaries. The liberalization of import procedures and regulations in the 3 years can be put even the Dunkel proposals in shade. The Government undertook to implement exit policy to please the foreign investors. Chelliah committee proposals are implemented in stages to lower the tariff barriers. Government kowtowed before foreign investors and signed MIGA. Dutch, English, Japanese Spanish investors are demanding special guarantees for investments over and above those assured by MIGA provisions. Some have gone to the extent of suggesting amendments to the Constitution of India to this effect.

Services in the foreign hands :

And the Government of India initiated several measures in the area of services which shall cover the area of foreign investments as well. The reports of Janakiraman committe, Nadkarni Committeè, and Narasimhan Committee, on the restructuring of banking sector are being implemented in all eagerness to beat some undisclosed deadline. Foreign banks opened 44 new branches over a span of one year. UTI launched India country funds in collaboration with Alliance capital of USA. Overseas portfolio managers are allowed to collaborate with local brokers. Foreign pension funds are invited with open arms into finance markets. The new Asia fund owned by Sundder group USA has 5% of its funds invested in India. A couple of foreign security firms have already opened offices in Bombay.

India already bound by patets :

Proposals on TRIPS dictate to institute a system of intellectual property protection and to ensure its rigoronus implementation.

India has a proces patent system applicable to all the branches of industry, which bound the native technological

progress by hands and feet. MNCs are paid huge sums towards royalties for the design, layouts, processes etc. When India was placed under investigation under Special 301 Act by US, a Parliamentary committee was instituted in all haste by the Government to review the patent act. Indian Pharmaceutical industry that played ducks and drakes with US drug companies asked for peace. Much later in January, 1992 products with foreign brand names were accepted by the Government.

By implementing Dunkel's proposals, plants, animals and microorganisms are to be brought under patent system. MNCs like Hoechst, Unilever, PHI Biogene and Pepsi have already entered the market. National Seeds Corporation is declared to have turned sick and to be brought under PSU closure scheme. Hitherto, the research in plant and animal breeding depended on the flow of information and material from international research institutions run by the Western Governments. When genes are patented MNCs stepped into the shoes of Western institutions and shall extract royalties upon information or they may deny access to any information at all.

Agriculture -- imperialists have the cake :

In agriculture, the Dunkel's text prescribes withdrawal of Government support, provision of market access, the withdrawal of fertiliser subsidy, the gradual windup of PDS system, the progressively decremental food procurement under levy, reorientation of rural credit schemes under NABARD, the hikes in water rates and power tariff, the gradual withdrawal of Government agencies from seeds distribution, the import of Canadian wheat at exorbitant price (Rs.526/- Indian wheat Rs.275-280) go a long way towards the implementation of GATT text proposals.

In the area of textiles with the expiry of MFA by December, 1992 the Govt. is desperately trying to patch up a new bilateral agreement with US and European governments at humiliating terms.

GATT text prescribes withdrawal of restrictive import measure for balance of payment purposes. The drastic overhaul of the import-export policy, liberalisation of import of raw material and capital goods, full convertibility of the rupee on current accounts etc., answer to this purpose.

The proposals implemented in toto :

It is clear as that the said proposals of the GATT text are already under implementation by Government of India. US used unilateral pressure to change the trade, industrial and agricultural and fiscal policies of the Government while discussing the same under GATT and drafting administered agreements. The ruling classes of India whose interests are inseparably entwined with those of the imperialists found themselves implementing the very proposals yet under debate in GATT. They adopted themselves quickly to the new situation and are well on their way in bringing about the necessary policy changes and adjustments in administrative apparatus which shall answer the purpose envisaged under GATT proposal.

On the other hand the government is taking every care to avoid a debate on GATT. The ruling class parties and the revisionists too are a party to this conspiracy. The proposals came under praise from several leaders of Cong-I.

WB-IMF Programme- a new label :

The Prime Minister is talking about the virtue of free enterprise and is making the people aware of pressing need for foreign capital in India. The globalisation programme is shown as the golden opportunity for the Indian people to join the world trading fraternity and reap the benefits. And it is to be today or never. GATT proposals easy the halo of an agreement among such respectable partners in world trade. The ruling classes gently remind that the privileges under such an agreement eases the (enlivening)burden of a few responsibilities too. And the Government is moving at quick pace towards securing a legislative approval for the proposals with as little debate as possible. The reforms then shall be the cordial conditions accepted among world trading partners as necessary and to impose upon themselves and each others in all benevolence and sportiveness. The reforms shall be rid of the sinister character they assumed under the patronage of IMF and WB. The conspiracy lays exposed.

Green revolution tied the Indian agriculture to the agriculture related business dominated by foreign capital and technology. It impoverished the toiling mass and

enriched the land lords, rich peasantry and the big trader. Rice and Wheat stocks mount in private hoards and FCI godowns as a testimony to poverty of masses. The foreign capital that hitherto dominated the means and the ends of agriculture now lays hold on the seed. This completes the surrender of food security.

Imperialists rule the field :

The foreign conglomerate that made pesticides now peddles the seed. Here it runs orange orchards and there it exports the bananas. Along with its bretheran it demands a freehand for capital under TRIPS and patent protection under TRIPS. It is agribusiness.

The new entrant shall rule the table and the field. Very often it is the Indian field and the Western table. Starving India shall not only have to gift more feed to European birds, oil meal to European cattle but have to also serve Indian buffalo meat or potato chips on European or American dinner tables as well. Fish, prawns, livestock, fruits, and flowers shall be harvested in exclusive farms raised on fertile soil watered to the last drop of water, while the people wither away in famines and epidemics.

Through the WB, IMF and GATT, imperialists are on a grand attempt at recolonising the third world. It is global trade, global currency, global security all the way.

We, the Indian people, shall fight against the designs of the imperialists and their native lackeys to turn the country into a happy hunting ground for foreign finance capital. We shall fight to repeal the laws that afford protection to patents held by foreigners. We shall not allow the Western agribusiness to lay hands upon the Indian agriculture. We oppose the agricultural policies of the govt designed to increase exports and channalise food for the affordable urban consumers. We shall not allow the food to be turned into a weapon in the hands of the west in the name of seed business. We shall not allow the US cow boys to invade the country on famine relief mission as they have done in Africa.

Our fight against Dunkels proposals is not an imaginary fight against a draft agreement to be put into effect in future, but against the attempts by the imperialistsh to recolonise the country, against schemes of their running dogs to

strengthen their hold over the people and disarm them.

GATT works in tandem with WB and IMF. The structural adjustment programme is implemented on all the fronts through co-ordinated orchestration. Demolishing barriers for trade between the imperialist world and third world and erecting barriers around low wage labour markets of the third world are of essence. While the means of livelihood are sold at international prices, the wages are depressed and kept low with due care. Imperialists brook no hindrance to the free flow of capital which is concentrated in finance and high technology areas. In finance, the procedures and practices of Indian financial institutions must fall in line with those of imperialists-eg. The implementation of Basle norms. This area covered under TRIHS and servieas can easily be controlled. The new high tech areas of biotechnology, computers, chemical processes have to yield unchecked profits through patent protection.

The ruling classes - the enemies of the people :

The Indian ruling classes viz.,comprador capitalists, landlord, bureacratc apparatus live on the crumbs thrown from imperialist kitchen. Their interests-match with those of their masters. The compradores are closing old mills and diverting funds to export units. They are taking care to protect the low cost of labour advantage of various regions with the connivance of trade unions affiliated to ruling class parties and of revisionists.

The beuracracy is too glad to cut its very red tape and jump in the fray to serve the foreign masters. From GATT talks, to WB negotiations, to guard of honour to IMF bosses, to new labour laws, to new commerce policy and to restructuring of rural credit, they have become the eyes and ears of native friends and foreign masters.

On the Intrastructure laid down by green revolution, foreign agribusiness is extending its field of exploits. The landlords and a section of rich peasantry, today play the awaricious satraps of foreign agribusiness. The European capital and feudal wealth combine to raise orchards on fertile lands, lease-in ponds and tanks to create aquaculture estates. Satellite farms mushroom around a foreign food processing mill. Foreign firms are gifted with land on lease

to raise plantation.

The withdrawal of support to agriculture through a raise in power tariffs, subsidy cut etc., set many middle and small peasants on the path of ruin. Patented seeds and agribusiness turn them into farm labourers and bonded serfs on agribusiness farm.

As it was with green revolution, the new policies strengthen the hold of feudal classes over the peasantry and agricultural labour. Old parasites under new labels such as agribusiness lobbies pry upon the agriculture. The MNCs sit in company with the landed gentry over a cannibalistic feast on the remains of the exploited. Trade related investment guarantee policies offered to firms run in foreign collaboration are throwing the workers on the streets every day. The unemployed face starvation and decimation. The country is turned into vast export zone where few receive minimum wages and where no labour laws and apply.

The ever-increasing crisis never left the middle classes untouched. With all the prospects of education and livelihood closed down, its head is placed on the block for execution.

The ruling classes are peddling the logic of modernisation to sweeten the bitter pill. In order to survive you import; to import you export; to export be competitive; to be competitive import new machinery and freeze wages or shed the workforce; this is the sacrifice required of the people. When in need borrow; when you borrow repay handsomely; this is the spirit required of the people.

TRIMS under implementation ties the hands and feet of the working class, while giving free reign to foreign capital. Unemployment grows by leaps and bounds while the profits were siphoned off to imperialist countries. TRIPS shall make the every product costlier robbing the Indian people.

The revisionists and neo-revisionists while mouthing opposition to the Dunkel draft proposals and Fund-Bank austerity programme, are providing the required political stability to the ruling party by allowing it to adopt the new economic policies. The ideas of free market socialism and interdependence of world community are eagerly borrowed from their Chinese preceptors. Their approach to the Dunkel draft proposals is piecemeal, circumspective and evasive. They are hand in glove with the ruling party to avoid a

comprehensive debate on reforms.

This is not a matter of policy. The Dunkel proposals do not stand in isolation. The foreign capital hold the country in its vice like grip. The native compradore serves as its agents. The bureaucracy runs the infrastructure to serve the interests of monopoly capital. The feudal classes lord over the vast expanse of the country and millions of people and stand in the service of foreign capital. The three enemies of the people are praying upon the exploited masses as vultures do. They are the social basis of imperialism. Every law and fiat serves the foreign masters and their native lackeys. Never the latter fall out of step with their overlords.

The structural adjustment programme of IMF and World Bank, and the proposals of Dunkel draft are one and the same and are being implemented in India with full speed. The heinous betrayal of the Indian ruling classes is clearly visible in their deceptive play of pressing for some concession or withdrawal of some proposals in the Dunkel draft, while most of them are being implemented in to as a part of IMF conditionalities.

The Indian ruling classes had betrayed the national and democratic aspirations of people at the time of the transfer of power. Contrary to the peoples aspirations of independent, free, egalitarian and self-sufficient India, they had turned it into a semi -- feudal, semi-colonial, dependent and pauperised country.

Unless the workers and peasants rises in struggles against the ruling classes, unless the middle classes identifies its interests with the peasants and workers and fight against the unholy combine of native and foreign exploitation, unless the intellectuals strengthen the hands of people in the struggles, the ruling classes will continue their deceptive ploys and betrayal.

At this juncture, it is not the question of opposing one or the other economic or political policies of the government. We must irreconcilably oppose the whole range of policies being implemented by the government which serves the interests of imperialism, big bourgeoisie and big land lords. Only the decisive struggle waged by the peasantry, the middle classes and the national bourgeoisie under the leadership of the working class shall depose the ruling

classes from power and drive the foreign monopoly capital out of the country.

Now it has become imperative for all our citizens to stand up as one against the present ruling class policy of selling out of our country to their imperialist masters. The workers, peasants, students, youth and intellectuals and people from all walks of life must unite to develop a relentless struggle to put an end to the rule which is serving imperialists and their servitors.

Let us forge an unity of all democratic and national forces in this country to fight against:

Surrender to IMF-World Bank conditionalities;

Signing of Dundkel draft;

Degrading the agriculture into an appendage of MNCs;

Transferring of community property rights to imperialist capital;

Plunder of our natural an economic resources by the imperialist capital;

Handing over of large tranct of agricultural land to the imperialist and compradore capitalists;

Withdrawal of subsidies on agricultural inputs like fertiliser;

Gradual disbandening of public distribution system;and reduction of procurement;

Handing over of pubic sector industries to imperialism in the name of privatisation;

Retrenchment of workers in the name of exit policy and modernisation;

All-out attacks on the democratic rights of people;

Withdrawal of financial and institutional support to social services like transport, health etc;

Privatisation of educational institutions and capitation fees;

Let us build a broad united front of all the revolutionaries, democratic, patriotic organisations and individuals to build up a mass struggle against these anti-people and anti-national and anti democratic policies of the ruling

classes.

**With revolutionary greetings
Central Committee
CPI(M-L)-Janashakti**

Aeronyms used :

- CIAT -- Centro Internacional de Agricultura Tropical, Cali, Columbia .
- CID -- Centro Internacional de la papa, Lima, Peru.
- CIEC -- Conference on International Economic Cooperation.
- CYMMIT -- Centro Internacional de Majora Meintis Maizy Trigò, Mexico city, Mexico.
- ECDC -- Economic Cooperation among Developing Countries.
- GATS -- General Agreement on Trade in Services.
- GATT -- General Agreement on Trade and Tariffs.
- GSP -- General System of Preferences.
- ICAR -- Indian Council for Agricultural Research.
- IITA -- International Institute of Tropical Agriculture, Ibadan, Nigeria.
- ILO -- International Labour Organisation.
- IRDP -- Integrated Rural Development Programme.
- IRRI -- International Rice Research Institute, Philippines.
- MFA -- Multi Fibre Agreement.
- MNC -- Multi National Corporation
- NIEO -- New International Economic Order.
- ODA -- Overseas Development Agency, USA.
- RLEGP -- Rural Landless Employment Guarantee Programme.
- TRIPS -- Trade Related Intellectual Property Rights.
- TRIMS -- Trade Related Investment Measures.
- TRYSEM -- Training for Rural Youth in Self Employment
- UNCTAD -- United Nations Commission on Trade and Development.

USAID -- United States Agency of International
Development.

WHO -- World Health Organisation.

WB -- World Bank.

Viewpoint :

Resolution of the Third International Conference of Marxist -- Leninist Parties and Organisations

(We are publishing here the Resolution of the Third International Conference of Marxist-Leninist Parties and Organisations sent to us by the Revolutionary Communist League of Great Britain. The opinions expressed in the resolution may not necessarily corroborate with those of ours -Editor.)

The 3rd International Conference of Marxist-Leninist Parties and organisations was held on the 21st to 29th of July, 1992. The following parties and organisations took part:

- * Marxist-Leninist Organisation of Afghanistan
- * Partido Comunista Revolucionario de la Argentina (PCR)
- * Pan African Congress
- * Marxist-Leninist Party of Germany (MLPD)
- * Unificacion Comunista de Espana (UCE)
- * Communist Organisation of Luxemburg (KOL)
- * Groep Merxisten-Leninisten / Road Morgen (GML) of Nether lands
- * Partido Comunista del Peru / Patria Roji (PC del P/PR)
- * Communist Party of Philippines (CPP)
- * Nucleo del Partido Comunista Revolucionario del Uruguay (PCRU)
- * EKIM (October) of Turkey

The 3rd International Conference successfully advanced the unity of the Marxist-Leninist movement on the basis of Marxism-Leninism, Mao Tsetung Thought in the fight against imperialism and modern revisionism and for the victory of socialism and communism.

After big discussions and the frank and honest and

sincere exchange of views on the current international situation and the prospects of the socialist revolution and the anti-imperialist struggle, the 3rd International Conference unanimously approved the following points:

Regarding the collapse of the USSR :

1. The triumph of revisionism at the 20th party congress of the CPSU was an expression of the restoration of capitalism in the USSR and of the overthrow of the dictatorship of the proletariat.

2. This capitalist restoration led in the USSR from socialism to social imperialism.

3. The present crisis and the disappearance of the USSR as such is not the crisis of socialism but of the restored capitalism and social imperialism.

4. The proletarian cultural revolution in China is a forward pointing experience of the proletariat as a form of the struggle against the danger of the restoration of capitalism in socialism in the continuation of the revolution under the dictatorship of the proletariat.

5. We see the increasing instability of the world situation as a consequence of the crisis. While the USSR has ceased to be the most dangerous super power and is in a state of decline, the US are going through a period of the decline of their superiority owing to their economic crisis, and two new, rising powers are emerging: Japan and Germany.

6. The disappearance of the revisionist CPSU and of the USSR has led to a deep crisis of the revisionist, pro-soviet parties throughout the world. This produces better conditions for our development and the development of the revolutionary struggles.

Regarding the crisis of modern revisionism :

1. Revisionism is the most dangerous manifestation of bourgeois ideology within the working class movement and the liberation movement. It robs the movement of its revolutionary content and reconciles it with the interests of monopoly capitalism and imperialism. Revisionism serves solely the interests of the ruling exploiter classes. The

defence of the universal truths of Marxism-Leninism, Mao Tsetung thought is a fundamental task, without which the revolution cannot be successful. This is a joint task of all international Marxist-Leninist organisations and parties.

2. Revisionism does not always manifest itself in the same form but is inseparably connected with the concrete historical situation from which it emerges and in which it develops. The revisionism of Bernstein and Kautsky, which led to the collapse of the 2nd Proletarian International during the first imperialist world war, was refuted and smashed by the socialist October Revolution in Russia and the upsurge of the Communist world movement.

3. The betrayal of Marxism-Leninism which spawned in the womb of the socialist Soviet Union and led, as Khrushchevite revisionism, to the overthrow of the proletarian dictatorship at the 20th party congress of the CPSU was the beginning of "modern revisionism". Modern revisionism developed into the ideological basis of social imperialism and this provided the theoretical justification of the most terrible crimes, committed in the name of socialism, against the working class and the peoples. This shows the outrageous demagoguery of modern revisionism. It disarms the masses in their struggle against imperialism.

4. At the same time it is necessary to distinguish between the basis of the revisionist parties, the millions of workers and fighters, and the degenerate leaders. Without weakening ideological struggle against revisionism, the Marxist-Leninists must be prepared to co-operate politically with the masses of members of these parties if this is in the interest of the social and national liberation struggle.

Regarding the Development of the world economy and its significance for the class struggle of the proletariat :

1. There are new phenomena of great significance in the world economy. The process of international concentration of the monopolies has greatly increased. New technologies are being employed in unparalleled dimensions. These new phenomena must be investigated on the basis of Lenin's analysis of imperialism. In the imperialist countries the state is an instrument of the monopolies.

2. The new developments do not eliminate capitalist competition but intensify it. US imperialism has lost economic strength, while Japan's and Germany's is growing.

3. Political events aggravate the crisis process of the world economy. On the other hand, the Gulf war also showed a new type of imperialist warfare. The war was waged by all imperialists in a relatively uniform way for the first time. There was a world wide war propaganda effort based on the most advanced communications technologies.

4. Proletarian revolution is national in form. The new developments demand greater mutual support from the Marxist-Leninists.

Regarding the main characteristics of the world situation and its significance for the class struggle of the proletariat:

The situation is characterized by the great changes called forth by the crisis and disappearance of the USSR, by the rise of the two imperialist powers Germany and Japan. This has produced a great regroupment of forces in the world with the formation of blocs and major instability.

Very important facts have been the fall of the Berlin wall and the Gulf war, with which the USA sought to establish a new world order under their hegemony. In the epoch of imperialism and proletarian revolution and of the great confrontation between socialism and capitalism the following fundamental contradictions retain their validity:

1. The contradiction between the proletariat and bourgeoisie in the capitalist countries.
2. The contradiction between the oppressed nations and imperialism.
3. The contradiction between the imperialists and between monopolies.

This has greater importance for the development of the strategy and tactics of the international proletariat.

Regarding the issues of Ecology :

The Marxist-Leninists consider it important to actively

oppose the destruction of the environment which imperialism causes by its greed for maximum profit. In this way the struggle for the defence of the environment constitutes an important part of the proletarian class struggle.

The unity between Man and Nature is only possible in socialism and communism.

The Marxist-Leninists must:

1. Seize the initiative on the environmental issues from the imperialists;
2. Mobilise the masses around the environmental issues;
3. Stress that the imperialists are responsible for the environmental destruction;
4. Counter the imperialist scheme of advancing ecological arguments to discourage the development of independent economies in the oppressed countries.

Regarding future practical collaboration:

The International Conference stressed the necessity of holding International Conference of Marxist-Leninist organisations and parties at regular intervals. Basis for participation in the international conference is the defense of Marxism--Leninism and Mao Tsetung Thought and participation in the struggle against modern revisionism.

Co-operation between international Marxist-Leninist organisations is based on the following principles:

1. Independence, equality, mutual respect, mutual support and co-operation.
2. No interference in the internal affairs as well as in the bilateral and regional relations of any party or organisation with other parties or organisations.
3. Consensus and unanimity in decision-making.
4. Achieve unity step by step; no public debate among parties and organisations and no public criticism or attack by any party or organisation on another.

Between Conferences the organisations jointly issue an international news letter.

The International Conference sets up a joint fund to finance the cost of international co-operation and of the conferences.

1. The 3rd International Conference declared its full solidarity with the people of Cuba in its struggle against Yanqui imperialism and for the defence of its national independence and self determination; with the people of Philippines in the struggle for national democratic liberation; with the people of Peru in its struggle against the Fujimori dictatorship and for national and social liberation; with the people of South Africa in its struggle against racism and for national liberation; with the people of Afghanistan in its struggle for freedom, democracy and social inequality; with the Turkish and Kurdish people in its struggle for democracy and national liberation; and with all the workers and oppressed peoples of the world in their struggle for national and social liberation, for democracy and socialism.

2. The 3rd International Conference decided to call on all Marxist-Leninist parties to commemorate the 100th Birthday of Chairman Mao Tsetung.

3. The 3rd International Conference calls on all Marxist-Leninist parties and organisations to uphold and further the unity that has been achieved, to continue advancing Marxism- Leninism and Mao Tsetung Thought to counter the worldwide anti- communist campaign, to gain new prestige for socialism in the eyes of masses, and to persist in the effort to be recognised as the vanguard of the proletariat and people in the revolution.

4. The 3rd International Conference calls on the proletariat of the capitalist countries, the workers and oppressed peoples of the colonial, semicolonial and dependent countries to unite and resist in order to defeat the imperialist bourgeoisie and all reactionaries and their authoritarian and fascist regimes and to take their destinies into their own hands to gain national liberation, socialism and communism.

Handloom Sector :

NO END TO WEAVERS' WOES

In a semi-feudal and semi-colonial country like ours plagued with widespread poverty and massive unemployment, the importance of the handloom sector can hardly be overemphasised. The handloom sector happens to be the second largest source of employment in the rural India next to agriculture. India has highest number of looms i.e. 38 lakhs, providing jobs for over two crore weavers, besides engaging 30 lakh people in subsidiary occupations. Yard to yard, handlooms have 20 times more employment potential than the mills. Still there is much scope for generating employment in this sector. It neither needs huge capital nor sophisticated technology. Indian weavers have acquired all the necessary skills traditionally.

Yet the handloom sector has virtually been languishing and there has been no end to weavers' woes. Nearly 3.27 Lakh weavers own no looms. Nearly 40 lakh weavers and their families have been thrown out of work with the closure of nine lakh looms. Availability of essential raw materials at reasonable prices and a minimum level of wages are still a distant dream for handloom weavers. In the recent times, the plight of weavers assumed alarming proportions and had led to tragic instances of mass suicides and starvation deaths.

Eversince 1954, every textile Enquiry Commission appointed by the government had recommended special treatment to handloom sector. The Textile policy of June 1985 seemingly recognised the unique role of handloom sector and declared that the growth and development of this sector would receive priority. In pursuence of this statement, the central government promulgated The Handlooms (Reservation of Articles for Production) Act 1985. The Act, which reserved 22 items for exclusive production on handlooms, has been virtually inoperative since its promulgation in 1986, because of litigation and stay orders granted by the high courts which were confirmed and continued by the Supreme Court. The non-implementation of the Act had made the earlier statements of policy and intent into nothing more than slogans, shibboliths, and pious but meaningless verbiage for millions of weavers.

Moreover, the Abid Hussain committee recommended in 1990 the regulation of powerloom sector on the plea that "the working conditions in most powerloom centres in the country are abysmal...weavers have no job protection and suffer from low wages; this problem had essentially not been addressed by 1985 textile policy". Two years after the submission of this report, the government issued The Textiles (Development and Registration) Order in December 1992, in which the powerlooms were taken off the negative list for licensing, registration fees were raised and all curbs on expansion were withdrawn. But the pious intent of labour welfare was nowhere to be seen. The government's spokesman explained that their approach "will first take the developmental problems (registration fees, research facilities, credit requirements etc) and then the problem of regulating the industry (excise and tax evasion and labour laws)". The Abid Hussain committee itself noted that the powerloom activity "grew up as an extra-legal activity"! It is clear that the government is legalising this "extra-legal" activity in a bid to fill its treasury with coffers from powerloom sector and not in sympathy for powerloom weavers. It is an acknowledged fact that for every powerloom installed, six handlooms are rendered inactive, throwing about ten handloom weavers out of employment. Thus while the Act was gathering dust in the long drawn out litigation, the government issued another order that spells doom to handloom weavers.

The government's apathy towards handloom weavers had come to such a pass that an official committee set up in August 1992 to review Janata cloth scheme, which has to procure cloth from handloom sector, had recommended phasing out of the scheme because a part of the cloth was procured from powerlooms. The phasing out of the Janata cloth scheme would starve the handlooms for work-orders. The axe has to fall on handloom weavers because the government has to cut down subsidy as dictated by the IMF. It advanced spurious reason of corrupt practice by its own machinery.

After much dilly-dallying for over seven years, during which period the handloom sector was thrown into misery and disarray, the supreme Court finally, uphold the validity of the Handloom Act 1985 on February 1993. The minister of

state for textiles, G.Venkata Swamy, informed the Parliament that the next course of action was being formulated. The usual time consuming tactics were being employed viz. Convention of handloom weavers, meeting of all India Handloom Board, meeting of state ministers incharge of handlooms etc. As usual G. Venkata Swamy announced several schemes viz. 100-area based projects for focussed development of handlooms during Eighth Plan; about 100 villages to be covered by integrated handloom development scheme; supply of cotton yarn at mill gate price; set up of two more spinning mills and upgradation of four spinning mills in co-operative sector etc. The financial allocation for all these schemes is paltry Rs 46 crore for whole of Eighth plan period.

On his part the Prime Minister shed copious tears, but put forward no concrete proposal. He asked the ministers to "reach the last weaver in the last village". To achieve this, he was prepared to only earmark "special funds" under Integrated Rural Development Project, Jawahar Rozgar Yojana and Indira Awas Yojana. He even bluntly refused to look into credit needs of weavers by stating that the existing institutions would be sufficient to cater the needs of handloom sector. At the same time, he asked the ministers "to give a second look as to why the banking credit to weavers had failed, while it was a success in other areas". And finally another scheme with proposal to set up 1000 centres for supply of yarn from the savings of phased-out Janata cloth scheme was announced. There were usual statements that immediate steps would be taken on violators of the Act.

But the fact of the matter speaks otherwise. The various schemes announced in the wake Supreme Court's judgement are haphazard and lacks any financial backing. The allotments within the poverty alliviation programmes are largely useless as the amount sactioned to individual beneficiaries would be too meagre to sustain handloom weaving profitably. While accepting the failure of commercial banks in providing credit to the handloom sector, the government refused not only to formulate alternative new credit policy and institutional support, but also withheld enhancement of funds for the development of this sector. It is not even prepared a plan of action to revitalise the

handlooms that were closed down. The Act does not provide for creation of exclusive machinery to oversee its implementation. Moreover, only central officers are empowered under the Act to take action on the violators of the Act. It is highly unlikely that the violators would be booked for offences committed as the under-staffed central officers would not be able to monitor the handloom sector. Again the punishment for contravention is not a deterrent compared to the profits that could be pocketed through violations. It is fine upto Rs 5000 per loom and/or imprisonment upto six months.

Already the powerloom lobby was up in arms. They warned against the implementation of handloom reservation act on the plea that it is detrimental to silk industry, which was one of the 22 reserved items. Going by the past record of the government, it is not surprising to find that the handlooms act would remain largely unimplemented, while copious tears would be shed for the plight of handloom weavers.

Self-reliance, preservation of country's heritage and employment generation had often been emphasised in reference to the handloom sector. But in reality, these aspects received scant attention. For a sector which meets the 20 per cent of domestic demand with out any foreign aid beside earning valuable foreign exchange, is being starved of funds and raw materials, has no institutional marketing facilities and minimum administrative machinery to enforce labour welfare measures. Any genuine effort to arrest the decline and decay of this unorganised and yet vital sector should first address itself to these tasks. Until then the weavers woes compounded by apathy of the government would continue unabated.

Public distribution System :

SLASHING THE BASE

Despite the loud proclamations by the government, the output of foodgrains would fall below both the target and last year's production. A PTI report says rice production was likely to be around 71.5 million tonnes against a target of 77.3 million tonnes and the wheat output would be around 56 million tonnes against a target of 57 million tonnes. The targets for coarse cereals is anybody's guess as most of the farmers has shifted to oil seed cultivation because of ill-conceived policy of promoting oil seed cultivation.

Major parts of many states are already reeling under drought. Distress sales of children and large scale migration are being reported in the media. Orissa, Bihar, Rajasthan, parts of Maharashtra, AP, MP, UP and Karnataka are witnessing parched lands. Not a drop of water to drink is to be found in thousands of villages. Drought coupled with a fall in the foodgrain production would turn the situation to worse in the coming months.

Instead of taking urgent measures to alliviate the sufferings of millions of people by sprucing up public distribution system, the government is effecting cuts in the insufficient, inefficient and corrupt PDS. Moreover, the recent central budget has removed restrictions on grain trade. The recent export-import policy removed many curbs on the export of foodgrains to foreign countries. All these measures would no doubt create artificial scarcity and pushes up the prices making the lives of the people unbearable.

As the world Bank mounts up pressure on the Indian government over agricultural sector reform and reduction of food subsidies, the central government has left with no other option than complying with IMF conditionalities. The food subsidy can only be reduced either by restricting access to the PDS or by reducing the quantum of foodgrains or pulling certain items out of PDS counter. The government is resorting to all these methods,.

An estimated 18 million tonnes of foodgrains (wheat and rice) is distributed every year through the PDS. This implies that every family gets about eight Kg of foodgrains every

month against its normal requirement of around 60kg, a mere 12 per cent. The government is advancing spurious reason that a reduction of number of PDS beneficiaries to half would enable it to raise the foodgrain quota to around 30kg per month. This measure will not reduce the quantum of subsidy as it supposedly to maintain the total quantum of foodgrains distributed through PDS at 18 million tonnes per year.

On March 21 this year, the government set up a committee of three state food and civil supplies ministers. It has to report on reform of PDS by April 30. A few weeks later, on April 5, when chief ministers from states gathered at Delhi to participate in the National Development Council meeting the issue of food subsidy was raised again. Eventhough the committee of ministers has to submit its report,the government has already indicated the shape of the things to come.

Last year, the government identified 1710 backward blocks for PDS targetting. More recently, it announced that the income tax payers will be excluded from the PDS. It is said that the PDS eligibility will be restricted to families earning below Rs. 8500 a year in rural areas and Rs. 11000 a year in the urban areas. The government is also considering the possibility of area targetting-for instance, limiting the PDS in the urban areas to slum-dwellers. It is toying with the idea of replacing ration cards with food cards. Whatever may be the form, the net result would be about 40 to 60 per cent of ration card holders, mainly lower middle classes, would be removed from the PDS lists.

Already the government has allowed the sale of sugar by private traders. It is also planning to entirely remove sugar from the PDS. Gradually some more items will be removed from the PDS counter. Some experts are suggesting that product mix of foodgrains should be changed by effecting differential price system. This means, for instance, in rice consuming areas wheat should be supplied at lower price to changg the food habits of the people. In practice it leads to reduction of supply of staple food grains.

Better targetting, as the government promises, is not going to reduce the quantum of subsidy. Moreover, it needs widely-based procurement. At the same time, it is not in a

position to sell the idea of higher subsidy, albeit through a better targeted PDS, to the World Bank and IMF.

Since 1991-92, procurement prices have been replaced by minimum support prices. This means putting a floor price rather than a single price. Unless more than minimum support price is offered, procurement targets would not be met. And it is difficult to offer much without raising the food subsidy. Since food subsidy must be contained to satisfy the imperialist sharks, procurement of foodgrains would be lowered and consequently supply through PDS would be reduced.

Now the problem confronting the ruling elite is who bells the cat as the decision to curtail the PDS would draw massive criticism from the middle classes and lower wrungs of salaried sections. The central government is waiting for an opportune time to announce the practically stifling of PDS and employing tactics that ensure slow-death of PDS. In the past, many state governments had tinkered with PDS network to suit their political needs. Now they want the Centre to do the tinkering this time. The logic is that states can blame the Centre, and the latter too can blame the previous governments and ask the people to accept the Bank-Fund austerity programme as the only solution in the present circumstances.

As a sop, the central minister Kamaluddin Ahmed announced that the PDS fair price shops would be reserved for women of SC and STs and more representation would be given to women in vigilance committees which are envisaged to be constituted in the future.

In the name of evolving a national policy on PDS to ensure "supply of meaningful quantities of foodgrains to really needy," the government is going to practically slash away the base of PDS leaving the facade of fair price shops with empty shelves.

Communal Trends :

LACK OF WORKING CLASS POLITICS

After the demolition of Babri Masjid on December 6, 1992, a serious and disturbing development in the working class movement has drawn attention from various quarters. It is the spread of communalism among the workers which is detrimental to the interests of the working class and its movement.

After the communal clashes that took place in the context of destruction of Babri Masjid, the Bombay metropolitan city had witnessed worst communal holocaust in December last year and again in January this year. As the city was limping back to normalcy, the Muslim workers at several factories were driven out of their work places by Hindu workers led by Shiv sainiks. In some other factories like Mahindra jeep division, Bombay Dyeing, Kohinoor Mills, Otis Elevators, Premier Automobiles, L & T, Mazagon Docks etc the Muslim were served with notice by the managements asking them to stay away from their duties, ostensibly in the name of their safety.

Although there were no such blatant incidents of driving the Muslims away from their work places in other industrial centres in India, the Hindu religious fervor was exhibited against Muslim workers in the form of jeering, heckling etc. These incidents showed the depth of the communal divide among the workers and trade unions.

After the Bombay incidents, the leaderships of so-called the AITUC, CITU, INTUC etc had unwillingly entered the scene. They started blaming Shiva Sena- BJP combine for fanning communal hatred. They had announced with fanfare that they would fight communalism through to the end and gave a call for united action. Their plan of action was limited to ritualistic activities like visiting troubled spots, wall postering, taking out procession etc. Even these ritualistic programmes could not be conducted jointly as INTUC refused to join. This came handy to left TUs to beat congress union. Apart from these show-piece programmes nothing substantial effort was made by the Left TUs in

fightings communal influences among the workers.

For a working class which has the glorious tradition of forging unity across caste, communal and regional lines and could launch political actions, as in the cases of the arrest of Tilak and the mutiny by naval ratings, and could show its strength of unity in as late as 1974 Railway strike, the rise of communalism among its ranks is an ominous sign of decay that is eating away its vitals.

That the workers and trade unions are infected with communal virus and this infection is turning endemic is a bitter fact. It is also equally bitter to know that the TU leadership has its role in this development, even though communal forces headed by BJP-Shiv Sena combine are mainly responsible for blatant ways of fanning communal feelings among the workers.

The statements of the leaderships of so-called left TUs and their allies that they were a caught unaware lacks honesty for the signs of communal infection are there to be seen by every body with open eye since one and a half decade. The communal forces wrecked havoc by whipping up communal antagonism among the workers at Jemshedpur in 1979, at Bhiwandi in 1983 and at Kanpur in 1984. The Bombay incidents of communal divide among the workers are the latest in this chain of events and the most blatant attack among them aimed at perpetuating the divide.

The failure of TUs in fighting communalist influences among the workers is not the result of 'unawareness' of ominous signs that are strikingly obvious to be ignored, or unpreparedness on the part of TUs to the unforeseen extent of communal holocaust. It stems from their ideological bankruptcy and class-collaborationist practices.

From 1970 onwards, the AITUC as well as CITU leaderships have raised caste, communal and regional feelings among the working class during the TU elections, society elections etc. to establish and retain their bureaucratic hold on the TUs. This provided a fertile ground for communal forces to employ blatant methods to whip up communal antagonisms among the working class.

True to their revisionist nature, these so-called left TUs had confined the working class movement to the economic

demands and desisted the workers from taking up political demands and activities. To conceal their class collaborationist policies, they had abandoned the task of political education of the working class to enable them to realise their role of leading all other classes to bring in radical changes in the existing socio-political system. They had imposed on the workers a bureaucratic set up that killed the initiative of workers. In essence they had rendered the working class devoid of its class politics and thus made it vulnerable to the alien ideological trends. It is in this context that the Indian working class is being swayed by the communal influences, inspite of its decades of glorious traditions of forging unity and maintaining communal harmony.

In the todays context of increased attacks on labour from the imperialist and compradore capital in the name of new economic policy and the democles sword of exit policy is threateningly hanging to behead the workers at any time, it is of utmost importance to achieve communal amity and unity among the working class in India. This is not an easy task which could be achieved by just snow-peice programmes.

There are no instant remedies for the communal infection that is afflicting the working class. Only by educating the working class with their own class politics and by practicing them from the gross roots level communal tends among the workers could be eliminated. With the bitter experience gained in the recent events, one cannot rely upon the leaderships of AITUC, CITU and INTUC to fulfil the task of educating the workers with their class politics and eradicating communalist tendencies from the working class. Hence the onus of fulfilling this important tasks rests on the shoulders of the revolutionary and democratic forces. Mandal card. The treasherous game of "divide and rule" played by the ruling classes is in full swing. In this grave situation, it is imperative on the part of the revolutionary and democratic forces to forge the unity among all sections of people of Dalits, including the religeous minorities. It could only be achieved by imparting working class politics in the consciousness of working masses through the unending process of strggle and political education.

Today it is the Muslim minorities that are being subjected discrimination and attacks by communal forces. The very same communal forces are now trying to pit the people belonging to OBCs against the SCs and the Congress (I) is trying to divide the dalits by sowing seeds of distrust against OBCs. The Janata Dal, which was marginalised in the run for power, is trying to keep its hold on the OBC by plying the Prohibition in AP:

Arrack under cover of IMFL

Having legitimised his position as chief minister of Andhra Pradesh by manipulating election to Panyam assembly seat within the stipulated six-month period, K.Vijaya Bhaskara Reddy has faced with the serious problem of taking decisions, which he had been putting off since long for obvious reasons. The most pressing among them is in regard to the stopping of sale of arrack in the state.

Since August last year, a unique agitation by women has swept innumerable villages all over the state demanding a stop in the supply and sale of arrack. The wrath of people on arrack channelised by mass movement had closed down tens of hundreds of arrack shops. The government could not conduct the annual auction of arrack licences in Nellore district and had to postpone auctions several times in many districts. The anti-arrack agitation that spread and took roots in various sections of people had polarised the opinion and forced the government to come out with its policy towards the issue.

The government, which did not take the movement seriously in the beginning, had dragged its feet with indolence. Caught unaware by the continued growth in strength of the movement, it became panicky and issued conflicting statements. After seeing the writing on the wall, it started employing delaying tactics of constituting enquiry commissions along with brutal repression and mud slinging campaign. Failed on all these counts, it finally constituted cabinet sub-committee to recommend the ways to

implement prohibition. The sub-committee gave its report in which it favoured imposing prohibition in selective districts on an experimental basis.

The Panyam election has proved that prohibition was an issue and as a result there was a considerable erosion of congress party influence. The chief minister could not contain his anger at the number of votes polled by the opposition candidates and used abusive and threatening language against people who voted for the opposition candidates. In contrast to the "wait and see" (of cooling down of the movement) approach taken by the sub-committee, the chief minister made a snap decision to ban country liquor from October first. Eventhough the chief minister claimed that his decision was only in tune with the well-known congress policy of prohibition, it is an undeniable fact that the collective and sustained strength of the peoples movement that forced the government's decision.

The doubt on genuineness of the government in implementing this ban has arisen from its seemingly innocent move to take over distribution of IMFL. The reason advanced for this "practicable measure", as chief minister puts it, was to find source of revenue to cover the losses incurred by the ban on arrack.

A perusal of the budget for 1993-94 would indicate that of a total anticipated revenue of Rs 923 crore from excise, arrack accounts for Rs 676 crore, Toddy Rs 66 crore and IMFL Rs 175 crore. Of this as much as Rs 543 crore comes from the auction of arrack shops and Rs130 crore from duty on arrack. Against these earnings, government will spend Rs46 crore this year on manufacture, bottling, distribution and administration of arrack. The government proposes to make up the revenue loss due to ban on arrack to some extent by the state takeover of the distribution of IMFL.

The current consumption of IMFL in AP is around 2.5 lakh cases per month. The government expects the total offtake of IMFL would rise to 10 lakh cases with the takeover of its distribution. The government expects revenue from IMFL to double once the wholesale trade has been taken over. This estimate is based on large scale tax evasion prevailing now. Taken for granted that the corruption -thriving excise department would contain the tax evasion, the doubling of

estimated income would have to come from the doubled sales of IMFL i.e. 5 lakh cases per month. Then how could the government "expects" the IMFL sales to raise to 10 lakh cases? In fact, it is not "expecting", but is "planning" to introduce arrack, coloured to appear as IMFL, in the name of cheap IMFL. The proposal to handover the wholesale trade and distribution of IMFL to Andhra Pradesh Breweries Corporation, which now oversees the production and distribution of arrack, clearly indicates the "plans" of the government to reintroduce arrack, albeit under the cover of IMFL.

There is jocular comment doing rounds that the centre depend upon the doles from IMF, while the states depend upon earnings from IMFL. Reddy made this joke literally true. Such is the sorry state of affairs of our finances that the ruling classes forced upon the country.

WATCH TOWER :

On the path of struggle

I.G. Mettal, Germany's biggest union, said more than 90,000 workers had joined in token strikes and protest rallies, when it launched second wave of walkouts in the past two weeks. The union is demanding that employers in eastern Germany reverse their decision to cancel the 26 per cent pay hikes that had been due on April 1.

Business Standard, 18-4-93

Tens of thousands of Rumanians joined protest rallies and warning strikes across the country to press for higher pay and restraints on price rise. Waving banners which read "no more hunger and poverty" and "we want better wages", some 15,000 workers massed Aviators square in central Bucharest calling for the resignation of president Ion Iiescu. About 2000 heavy trucks blocked traffic around the square defying the ban on TUs using state-owned vehicles for strikes and rallies.

Business Standard, 14-4-93.

The Working Girl Child :

Economic growth ought to lead to the withdrawal of children-particularly female children -- from the labour force, as parent's incomes rise and educational facilities improve. In countries where these occur, women enter labour force later with higher skill levels and better work conditions. The participation rate of female children aged 0 to 14 in India has risen by 65 per cent from 2.6 per cent in 1970s to 4.3 per cent in 1980s. Other countries in south Asia also fare poorly.

Female labour Force rate Aged 0 to 14 (%)

	1970s	1980s
India	2.6	4.3
Bangladesh	1.6	2.4
Pakistan	0.9	1.8

Business Standard, 21-4-93.

Woes of widows :

Rejected by the families, ostracised by society, the 2.59

crore windows in the country lead lives of penury and misery, according to a recent study. The economic problems appears insurmountable. As overwhelming majority (93 percent) of widows had to face financial problems after widowhood and more drastic cuts in various items. The book highlights issues like widow's share in parental and in-laws' property. "Discrimination on account of share in property is apparent, the book says. The study reveals that "the custom of marrying at a younger age is one of the root causes for a high incidence of widowhood in India." Two out of every three widows interviewed were married at 16 or below. "Still we continue to marry girls at a younger age" which is reflected in 1991 census report stating that 11.7 per cent of girls were married between the age of 10 and 14 years, the author said. 'Widow in India' by Dr.T.N.Kitchlu says, "barring some concessions in the matter of employment to widows and their children and ex-gratia, there were no social security programmes or welfare measures for them."

Times of India, 16-4-93.

Left in the Lurch :

The number of migrants from developing countries to industrialised countries may not be large (0.4 per cent), but they can make an important contribution to foreign exchange reserves through their remittances home. In 1988, the developing countries recieved about 25 billion dollars in official remmittances. In case of India, these official remmittances amounted to 2.7 billion dollars, about 0.9 per cent of GNP, 17 per cent of its exports, 14 per cent of its imports and most strikingly 141 per cent of official development aid. And these are only official remittances. Workers often send money clandestainly because they are working illegally. Estimates of unofficial remittances vary from 10 to 80 per cent. (Still these workers are left in the lurch while the ODA was being given red carpet welcome).

Buiseness Standard, 31-3-93.

Last saturday, a group of bedraggled women landed at the Sahar airport. These are just ten of the hundreds of Asian women employed as housemaids in kuwait, who have been deported by the authorities after being tortured in jail for several months. For 35 year old Dilshad Begum, endless

working hours, starvation, oral and physical torture were only some of the things she had to endure. Dilshad went straight to the Indian embassy for protection but was rudely refused shelter. It was in jail that they met several women, among them Sri Lankans and Filipinos, who had suffered similar indignities at the hands of their employers. What obviously galled the unfortunate women was the Indian embassy officials' indifference. "Far from taking up our cause, they even refused to give shelter and left us to rot in jails," bemoaned Dilshad.

Mid-Day, 27-5-93

The Lost Childhood :

The ILO estimates that five million adults and ten million children are working as bonded labourers in India in sectors like agriculture, quarrying, carpet making and as domestic help. The government however put the figures at around 3 lakh. At maximum risk are children who are bonded labourers working under slave like conditions. Among the states AP had the maximum number of children working, followed by Tamil Nadu and UP. The rise in the number of child labourers in the informal and unregulated sector is the result of increasing migration, urbanisation and industrialisation. The ILO has extended a 2.5 million dollar assistance this year to work towards eliminating child labour from India, which has a 17 to 20 million-strong child labour force, the world's largest.

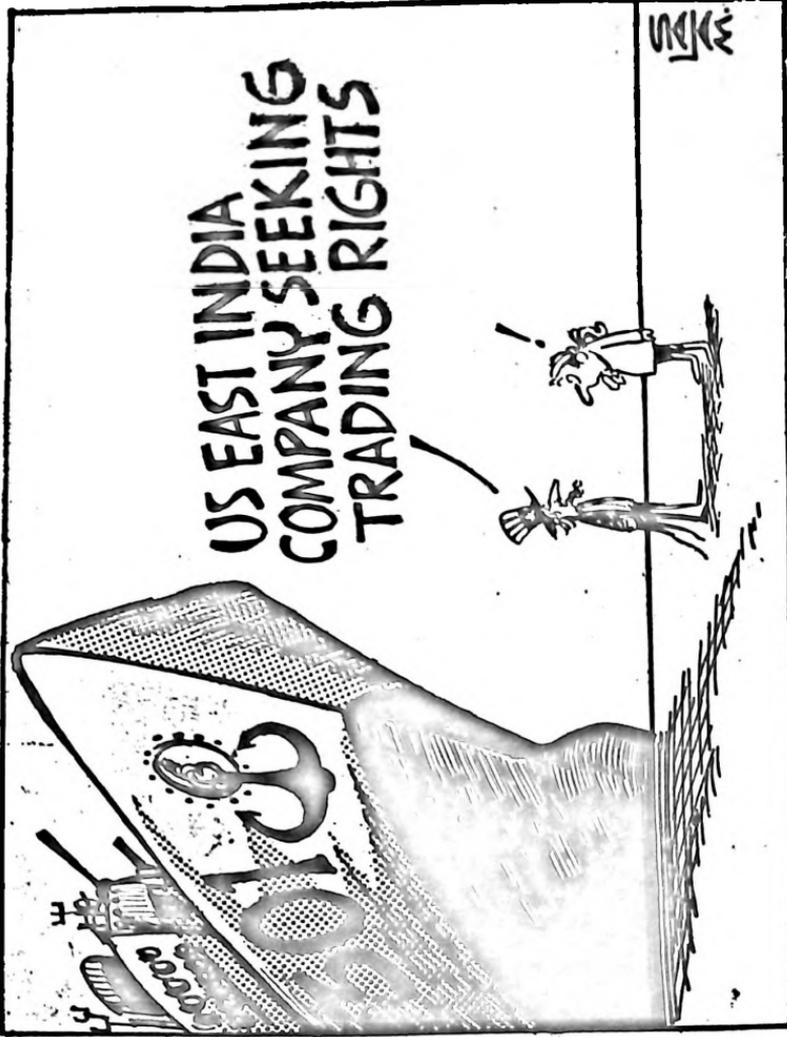
The Independent, 11-4-93.

Times of India, 13-4-93.

Bengal Abandons Land Reforms :

The West Bengal government has passed an order that abandons land reforms in the state. The order has been issued by the state revenue board to all district authorities. It has said that vested agricultural land within the municipal or notified or development authority area will now have to be treated as non-agricultural land. The said area in West Bengal covers vast tracts of agricultural land. To treat such land as non-agricultural means that the basic tenant of left Front's land reform policy have been abandoned. These are; much vaunted Operation Barga (to give rights to share croppers) and redistribution of land among landless and marginal farmers.

The Economic Times, 12-4-93.



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