

# IMF LOAN

## It's Implications

The Indian government has contracted with the IMF for a loan of Rs. 5,200 crore under Extended Fund Facility Clause, the biggest amount sanctioned and received by any country. There has been furor in the political and economist's circles as to the advisability of the loan, particularly due to conditions attached to it. Some left parties like CPI(M) and CPI, in particular have dubbed the loan as a 'sell out' of India's 'economic sovereignty.' The debate is still going on. The loan, apart from revealing the depth of crisis of Indian economy, carries in it, some grave economic and political implications which not only confirm the incoming developments, our party led by the great leader, teacher and guide Comrade Shibdas Ghosh, has been urging the people to take serious note of but also the immediacy of the danger. That is why what is more important is not the technicalities but the real politico-economic significance of the deal, in all its aspects.

### The loan—its burden

According to the agreement, beginning November 9, 1981, India will have the right to draw in three yearly instalments the total SDR 5 billion dollar loan equivalent to Rs. 5,200 crore. Rs. 1000 crore upto June 1982 double the amount from July, '82 to 30th June, 83, and the last instalment of about Rs. 2,300 crore from July 1, '83 to the end of the extended arrangement. Of this total amount nearly to Rs. 3000 crore will be financed from the fund's ordinary resources at the average rate of interest of 6¼% the rest at higher rate of 12% or may be above that. Repayment of each drawing will start in the fourth year and be completed in 10 years.

The debt burden will surely be heavy. According to calculations made by the Economic Times, the

repayment of the principal and interest together will add more than Rs. 4000 crore to the loan liabilities. Repayment of the principal begins by 1985-86 by when the debt servicing charges will be Rs. 600 crore, increasing to Rs. 1225 crores in 1988-89 and then going down to Rs. 249 crore.

In view of India's foreign trade earning, at present Rs. 6,700 crore which in all possibility will not increase appreciably, considering the world-wide recession, keeping apart Rs. 2000 to Rs. 2500 crore only for repayment of loan indicates the gravity of the situation. And the Finance Minister, while defending the loan in Lok Sabha, had to admit this when he said, "export demand for our goods has

(Contd. to Page 2)

# Proletarian Era

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## 'Left Front' Government's Criminal Apathy to the Cyclone-hit People in West Bengal

On the basis of the reports obtained from our party sources collected while conducting extensive relief work and organising mass movement for the same in the vast cyclone-hit areas of the Sunderbans, this handout has been prepared. Comrades Ranjit Dhar, Member, State Secretariat of the Party, Yakub Pailan, Secretary, South 24-Parganas District Committee along with Aminuddin Akhand, Deba Prasad Sarkar, MLA, Renuwada Halder, MLA, Prabodh Purkait, MLA, Pratish Kar, Patit Gintait, Rezaul Naskar and others, all district organisers of the Party made extensive tour in this area and led the relief operation.

It is really very painful Government is showing and even inhuman that unheard of callousness in although the 'Left Front' discharging its minimum

responsibility to provide relief, shelter, medical help and other amenities to these victims, it has shown high skill and promptness in burying the dead bodies by the police personnels even before their identification and detection, obviously to underplay the number of deaths. We express our deepest indignation against this height of indifference and irresponsible attitude of the government in doing the needful for relief, rehabilitation and medical care of those affected by this cyclone. It should be mentioned in this connection that not the State Government alone but even the Central Government has completely failed to discharge its duties which we condemn equally. In face of such a disaster it has been proved beyond doubt that in West Bengal there is

(Contd. to page 3)

### Our Party's Relief Work

More than sixty thousand cyclone-hit victims in 24-Parganas have been covered under our party's relief work upto 31st December '81. This includes supply of dry food, clothings, blanket, medical help etc. and also supply of gruel under which about twenty five thousand people have so far been covered.

The relief work is going on.



Common scene of dogs making feast over corpse strewn in the cyclone hit-areas of the Sunderbans weeks after the calamity, speaks volumes about the 'Left Front' Government's shocking callousness

## IMF LOAN

# Crushing burden on the people to serve Indian monopoly finance capital

(Contd. from page 1) weakened due to recessionary conditions abroad. The situation has been worse due to rising protectionism". Protectionism means, every country including the USA even is trying to protect its home market for the national capitalists by raising tariff wall against foreign commodities.

### The Conditions

But the loan amount will not come automatically. After each instalment, the Government of India will have to satisfy the IMF board that it has abided by its advice or conditions and that it has met the performance clause. If the board is not satisfied then it can suspend further instalments of loan. Article IV of the IMF provides for periodic consultations as also a scrutiny of the performances of the loanee governments. This provision is to be viewed against the background that no loan is passed by the IMF board without 85% of members' support and that USA controls definite 20% of votes. That is why when USA after raising its initial pressure of objection to the loan was persuaded to abstain in the voting that the loan was ultimately sanctioned. After the expiry of the first instalment, therefore, the same question of either direct support or indirect support by way of abstention by USA in the board of the Fund would arise.

Now, apart from this basic position, the board will demand performance criteria for the eligibility of further instalments on the following specific conditions:—

- (1) Encouragement to private sector investment.
- (2) Liberalisation of norms for foreign collaboration and royalty payments
- (3) Pursuit of an exchange rate policy to ensure export profitability

and competitiveness, keeping in mind the balance of payments and/or need for export promotion.

(4) Control on increase in bank credit to government through balancing of budget and cut in subsidies.

(5) Cut in direct taxes.

(6) Discipline in industrial relations, as also.

(7) Control over commercial borrowings from abroad etc.

It is to be remembered in this connection that these conditions are not just formalities as would be obvious from the recent case of Bangladesh. IMF had granted a loan of US \$ 912 million to Bangladesh but recently withheld its disbursements on the plea that the government had not complied with some of the conditions agreed upon.

Now, as to these conditionalities of the loan, while the Indian Government's defence has been that they do not contradict the Planning objectives in general, the opposition parties in Parliament, various noted economists, the comments in the dailies and journals have given different interpretations. Without going into details we are summing up, first, those views and interpretations.

### Opposition View Points

The 'Left Front' Government of West-Bengal has circulated a booklet, described in some circles 'White Paper', captioned: "The IMF Loan—Facts And Issues" containing an introduction from Mr. Ashok Mitra the State Finance Minister and collection of articles from some economists. In the introduction Mr. Mitra has said that anything that "affects the sovereignty of our people" should be the concern of state governments. Therefore they are protesting against the erosion of 'economic sovereignty' that this

loan has bargained for. Mr. Mitra continues, "over the period during which the loan is to be disbursed, India's monetary and fiscal policies including the size of the internal money supply, the structure of taxation and the quantum of budgetary deficits—would be formulated not in New Delhi but in Washington..... the Union Government has agreed, in conformity with the Fund's wishes, to accord special privileges to the private sector including foreign investors and to reverse the policy of import substitution and allow imports of even such banned items for which we have built adequate productive capacity in the country."

### Could it be avoided ?

Dr. Bhabotosh Dutta, an eminent economist in his writing and interviews has posed the question: Could we not avoid the loan? In support of his contention he has held that the raging debate on the conditionality clause of the loan has no meaning because those conditions are laid down in the form of application for loan and were in the know of the Government when it applied. To be more precise, as the Union Finance Minister admitted and Mr. Rangachari in *The Statesman* (Nov. 27) wrote that Article IV of the Fund's Charter..... obliges every member to have periodical consultations with the Fund". And as such, those who are attacking the loan agreement on the count that "consultations will breach our economic sovereignty should have woken up much earlier and started a movement for getting India out of the IMF altogether to escape all such obligations of membership'. Now let us see what Dr. Dutta says against such heavy loan from IMF or to be

more precise, whether it was unavoidable or not.

Dwelling on the Government's plea of serious deterioration in balance of payments consequent on deficit in foreign trade to the tune of Rs. 1500 crore the economist is of the opinion that the whole facts were not brought to public judgment. For example, the gold reserve, shown in the Reserve Bank Bulletin, of Rs. 225'81. crore if sold in the world market would fetch Rs 4500 crore. That is why, the picture about our fund of foreign exchange is not so critical as has been sought to be presented to create the ground for this loan to be contracted.

Secondly, India's contribution in the Fund amounts to Rs. 350 crore and the quota, admissible to her to be drawn at the rate of 25% per year without any such stiff condition would have amounted, all told, to Rs. 2,100 crore. This could have been drawn in four years to meet the trade gap.

Besides strict economy measure on the use of oil, the import of which is the immediate main reason for ever mounting foreign exchange problem could have saved at least Rs. 1500 crore in foreign exchange reserve in three years. Among other things, India's under-taking the responsibility of holding the Asiatic is drawing heavily on the foreign exchange reserve by way of meeting big import bill for cement and steel not to say of squandering away foreign reserves on import of food-grain and edible oils etc. This analysis brings us back to the main question of the debate: was it due to the compulsion of economic or fiscal complications or for something beyond that, politico-economic in nature for the benefit of the monopoly capitalist class or for both integrated into

one in the concrete perspective of third intense phase of general crisis, an all-out crisis in the entire capitalist world?

### The Government's Defence

Let us here note what the Government says justifying its decision to enter into this loan contract with the IMF. To the criticism of abridging India's 'economic sovereignty' it says that the Extended Fund Facility (EFF) under which the loan has been sanctioned to India 'came into operation at the insistence of the developing countries, with us at the forefront of the movement. We spearheaded the process of change whereby the medium-term nature of problems facing developing countries was explicitly recognised as the basis of IMF assistance to developing countries" and that it (EFF) "is to be based on a programme of adjustment over a medium to long-term period. That is why this particular arrangement suited us, because we had the plan as our programme of adjustment."

The Government says in its documents, therefore, that there is no question of surrendering economic sovereignty as the IMF prescriptions do not conflict with the Sixth Five Year Plan frame, which was detailed out by the Planning Commission and got the approval of both the NDC and Parliament during the Janata rule. And secondly as to the performance criteria, the government, though evasive as to the real point says, "...they are what the Government decided to do in terms of limiting the expansion of domestic credit and of adopting a cautious approach to external commercial borrowing. Practically all economists, and here labels of Right and Left do not matter, have advised that the growth of money supply should be curbed to control inflation. This is precisely what the performance criteria accepted

(Contd. to page 4)

## Railway Freight Rise —a shameless affront

The latest increase in railway freight rates by 10% to 15% announced by the Railway Minister in Parliament a few weeks back is a pointer to both the state of economy of the country and the manner in which the present 'guardians of democracy' are throwing away to the four winds even their vaunted democratic norms. Condemning this measure Comrade Nihar Mukherjee, General Secretary of our party, observed: "This should be condemned not simply because normal Parliamentary practice has been scrupulously avoided but mainly because it has shifted this entire burden of the callousness and corruption of the administration as well as the tremendous crisis of capitalism on to the shoulder of the poor people."

It needs hardly to be explained how this measure will aggravate the grinding economic hardship of the people. Because, the people are constantly experiencing how this almost annual increase in railway freight and fare is pushing up the cost of every essential commodity by leaps and bounds, causing further spurts in inflationary spiral. Every time the Government's plea has been that the railway's expenditures had gone up beyond anticipation.

No genuine and effective step has been taken by the Government to eradicate corruption and callousness of the railway administration, which eats up large portions of the railway's earnings. Yet rise in expenditure is the constant theme harped on by the Government to justify enhancement of railway freight and fare. 'Logic' as this not only does serve to illustrate the vicious cycle of the capitalist economy; it also exemplifies the ruling class's trick to rob the people on the pretext of paying the people.

It is necessary to recall here that the Central Government had increased the railway freight and fare by wide margins in the last railway budget some nine months back. The Railway Minister had argued then that the increased rates would wipe out a deficit of Rs 50 crores and leave a surplus of Rs. 80 crores. But within a few months the projected surplus has turned into another deficit of Rs. 75 crores. And now barely two and a half months to go before the next budget, the Government has simply taken the step to increase the railway freight by another instalment to offset current deficit. And only a few months back in the name of 'rationalising' the passenger fare structure, the Government actually increased passenger fares in majority cases. All this means that within a space of nine months railway freight and fare has been increased by more than 30%. The trend suggests that the fare and freight would go up again in the near future by another instalment.

It should be borne in mind that seeking sanction of Parliament or public accountability of the Government for any of its measures and policies has been thrown into the four winds.

Through the present measure the Government simply ignored the principles essential to democratic functioning. That is to say, the Congress (I) Government at the Centre demonstrated once more how contemptuously it regards the Parliamentary norms and principles.

In fact, it is now the practice of not only the Central Congress (I) Government, but of all the Governments of the State—whether run by the Congress (I) or the so-called lefts including

the CPI (M) and the CPI—to flout democratic norms and practices in conducting Parliamentary as also administrative business. Not on few occasions did Mrs. Gandhi's Government announce enhancement of prices of petroleum products in the form of decisions at the administrative level, bypassing Parliament just on the eve of beginning of Parliamentary sessions. The CPI(M) led 'Left Front' Government of West Bengal too, did increase bus and tram fares through decisions at the administrative level, bypassing legislature. Yet these parties lose no occasion to tell the people that they always take decisions by taking sanction of available people's forum in this existing set-up.

The whole political atmosphere of the country today is thick with anti-democratic measures like snatching of democratic and economic rights of the people and trampling of the democratic norms. The mode of functioning of Mrs. Gandhi's Government is that it is run by promulgation of ordinances aimed patently against the people. The State Governments are also taking recourse to measures of identical character in order to shift the burden of the capitalist crisis on to the poor people and concentrate powers in the hands of the administration to crush the people's legitimate democratic movements. None of the parliamentary parties in Government cares for public accountability. Because, in the present electoral practice, return to governmental power through elections does not depend on a popular mandate but on the discretion of the ruling capitalist class which decides which party is to be returned through rigged elections at any given stage.

That is why, in the present case, the only concern the opposition parties in Parliament showed was for the ruling party's failure to imple-

## On Revision of Electoral Roll West Bengal State Committee's letter to the Chief Election Commissioner

To  
Sri S. L. Shakdhar  
Chief Election  
Commissioner of India.  
'Nirvachan Sadan',  
Ashok Rd.,  
New Delhi-110 001

Dear Sir,  
Our attention has been drawn to the Press Release in which December 31, 1981 has been fixed as the date of publication of the draft electoral rolls for West Bengal and January 16, 1982 has been fixed as the last date of filing claims and objections.

In view of the magnitude of devastation and calamity in the cyclone-hit areas of 24-Parganas and Midnapore and when the people of these areas are very much engrossed

with the works of relief and rehabilitation of the victims, we feel it is neither feasible nor advisable to take up the task of summary revision of electoral rolls just now particularly in these areas.

We, therefore, propose that the last date of filing claims and objections be extended at least by a month for 24-Parganas and Midnapore, if not for the whole of West Bengal.

We expect, you will kindly appreciate the humane aspect of the problem, use your good offices and accept this just demand of ours.

With regards,

Yours sincerely,  
Sd/-Sukomal Dasgupta  
Secretary,  
W. B. State Committee  
SUCI

## Criminal Apathy of the 'Left Front' Government of West Bengal

(Contd. from page 1)  
not even any semblance of what we call administration.

Because, first of all, although prior warnings were repeatedly broadcast from weather office, no precautionary or pre-emptive measure had been taken up from the Govern-

ment its decision through presenting supplementary demands for grant. They showed little concern for the ruling class's trick to shift its burden on to the poor people or utter contempt for the democratic norms. They cheered when the speaker suggested a means for the ruling party to rectify its procedural move.

Under the circumstance, as we have been pointing out time and again the people will have to come forward to raise their voice of protest and organise resistance movement against all the anti-democratic measures and policies of the Central and the State Governments.

ment which, if taken in time, could have greatly minimised the loss of life and property.

Secondly, since the soil of this area is very easily soluble we demanded even during the Congress regime for proper maintenance and construction of permanent embankment along the rivers of this area. But previous Congress Gov. did nothing on this score because of its anti-people character. The 'Left Front' Government which is so much vociferous about people's interest has also completely failed to do it during more than four years of its rule. We raised this demand again after the harrowing experience of the severe and dreadful flood of 1978. This time also our suggestion went on deaf ears of the Government. Had this measure been taken even then, devastation and calamity could not be of such magnitude this time.

Thirdly, let alone taking precautionary measure,  
(Contd. to page 6)

# Concrete events vindicate Comrade Shibdas Ghosh's analysis about the process of development of Indian Monopoly Finance Capital

(Contd. from page 2)  
by the government involve." Whatever argument might have been advanced by the Finance Minister to hide the discomfiture of the Government, it is not difficult to understand that the Government was bound to accept the conditions without which the loan would not have been granted.

As to the question whether the loan was at all needed, the Government's answer shows the desperateness of the situation in the balance of trade. It shows that in the first seven and a half months, the foreign currency reserves have fallen by over Rs. 1400 crore. In the previous year too, it would have been of the order of Rs. 1200 crore but for the Trust Fund Loan obtained from the IMF. And at this rate, the country could have run out of its foreign exchange reserves in 1982-83.

## Unity of purpose or difference ?

Now what is significant in this connection is the remark of Dr. V.K.R.V. Rao, not only a noted economist but who has been associated with the Government in many capacities for long years. Dr. Rao has commented that: "Some conditions laid down by the IMF such as monetary and fiscal restraint and a desire to bring down the rate of inflation are obviously in consonance with what all of us have been demanding." But he adds, "IMF believes in private enterprise, private foreign investment, freedom for the operation of multinational and general relaxation on imports. It is on these respects that the national objective differs from that of the IMF".

## Not the rhetorics but the real issues

From his liberal bourgeois approach Dr. Rao may hold that the monetary and fiscal

restraint alone will bring 'discipline' in the economy, that is to say, fall in the rate of inflation or increase in production even in the perspective of mounting unemployment, depressed wage structure, soaring defence expenditure, under utilisation of industrial capacity and even if it is improved upon that too for export denying thereby the people of adequate supply in essential consumption goods. He may even identify the national objective in a bourgeois state like India with people's interest and presume that private monopoly capitalist interest or for that matter the interest of the financial oligarchy that has come about in the process of capitalist development in the country has not been served over the decades under the garb of planning and other steps and measures adopted in the field of economy. But all these propositions do not fit in with the reality or the inexorable law of development of capitalist productive system.

In the present case of IMF loan also, the Indian Government, as we know, being subservient to the interest of Indian monopoly capital has taken the decision not in the interest of the common people but in the interest of the Indian monopoly finance capital just as it has taken all the steps and measures, always, be they in the field of economy and politics or on education, culture, ethics, or for that matter in every sphere of society. So, heavier burden will be thrust on the common people but at the cost of their unspeakable sufferings the beneficiary will be not they but the Indian monopoly capital.

The country's real progress as Comrade Shibdas Ghosh, our revered teacher explained through his brilliant analysis, depends on the accomplishment of three basic tasks viz. uninterrupted

industrialisation, mechanisation and modernisation of agriculture and through solution of the appalling unemployment problem. Only by accomplishing these three fundamental and historic tasks that the Indian home market could have been widened, given the solidity and the necessary urge for investment of capital generated. By following this course of development only, as Comrade Ghosh has shown, the urge for industrial investment of capital can be generated, the speculative trend in capital, in absence of this urge, minimised to a good extent which may help remove the associated vices in the field of ethics and morality. What then actually stands in the way of this national objective that conforms to people's interest being fulfilled? Comrade Ghosh pointed out: moribund capitalism, the bourgeois state that defends it and the fascist device of economic political developments at this third phase of intense crisis of world capitalist market when the world capitalist market has lost relative stability of the market completely are the factors that stand as stumbling block to this national objective being fulfilled. That is why, when the Indian bourgeoisie was stepping into the path of economic planning, applauded not only by the bourgeois but even by the so-called Marxist and left and democratic parties as something 'progressive' and 'socialist', it was Comrade Shibdas Ghosh and under his leadership our party alone, on this soil pointed out: "the same process of concentration of private capital, development of state capital, fusion of the two into state monopoly capital, thereby reducing the state subservient to the interest of monopoly finance capital and the financial oligarchy given birth to in the process, is to be seen as in the advanced so also equally

in relatively backward capitalist countries like India, though, at this stage, for different purposes. The powerful capitalist countries have taken to militarised economy and centralisation of capital to get out of their crisis in over-production, excess capital and market whereas the backward capitalist countries are after centralisation of capital and planning in order to achieve rapid industrial development, catch up with the powerful capitalist countries and emerge as their strong competitors in the foreign markets."

Had Dr Rao and other critics including the lefts' would have made an objective assessment, they would have surely found that India's economic development for decades supported by Indian Government's economic policies and measures has been not against the interest of Indian private monopoly finance capital. It rather confirms the readings and analysis of Comrade Shibdas Ghosh, made three decades back. Admission of this development has been made by an American columnist Mr. Jeremiah Novak. Let us quote a portion from his writing published in the *Mainstream*, December 12, 1981. ".....India's goal is to protect its private sector from foreign investor. Indeed, by developing structural changes in the economy, the Government of India does what the Indian private sector cannot do and replaces the role of foreign investors..... Indeed, as one looks beyond this IMF loan, one sees a 'mixed industrial economy' similar to West Germany or France under Giscard, where the private and public sectors reinforce each other."

## Indian Finance Capital —the Beneficiary

It is therefore obvious that this IMF loan will serve the purpose of Indian finance capital.

According to the IMF Survey Report, the loan will mainly be utilised towards development of energy, coal and oil. People will not get any benefit other than some employment that may be generated but the whole purpose is to add competitive strength to Indian finance capital in the world market

In a capitalist state like India, the basic problem of the people cannot be solved. For, as Lenin showed in his celebrated book on Imperialism: "...if capitalism could develop agriculture, which today lags far behind industry everywhere, if it could raise the standard of living of the masses which are still poverty-stricken and half starved everywhere in spite of the amazing advance in technical knowledge, then there could be no talk of a surplus of capital. And the petty-bourgeois critics of capitalism advance this 'argument' on every occasion. But then capitalism would not be capitalism; for unevenness of development and semi-starvation of the masses are fundamental, inevitable conditions and pre-requisites of this method of production. As long as capitalism remains capitalism surplus capital will never be used for the purposes of raising the standard of living of the masses; for this would mean decrease in profits of the capitalists; instead it will be used to increase profits by exporting the capital abroad, to backward countries."

So, the real issues, as part of the essential political education, should be brought to the people if the sinister bourgeois design of giving rise to a strong finance capital at the cost of mounting debt burdens and unspeakable sufferings is to be resisted.

The task of discharging this historic responsibility, naturally,

(Contd. to page 5)

## Mass movement alone can foil the bourgeois conspiracy

(Contd. from page 4)

would devolve upon those who call themselves Left and democratic, even Marxist, and talk of the cause of the people. Evasion of this responsibility equivocation, creation of confusion on these paramount questions amount to betraying to the cause of the toiling people, inasmuch as they help the bourgeois design of bringing all-out fascism in the country.

But what role do we find of CPI(M), CPI and other parties in general and the 'Left Front' Government of West Bengal in particular? We have quoted on the preface written by the State Finance Minister. Mr. Ashoke Mitra, for the book they have published. Mr. Mitra says that the loan affects the sovereignty of the people. Queer indeed! It is one thing to criticise and oppose the Government's decision that will be injurious to people's interest and hence the country's interest but in doing so can anybody spell out something which is unscientific and therefore erroneous and will create confusion instead of helping the people by giving the right direction to their protest movement. For 'sovereignty' in political economy connotes political power, and not economic power. This is the Leninist teaching. So in a capitalist state there is the sovereignty not of the people but of the bourgeoisie. To argue that in a bourgeois state that, too, at this moribund stage of capitalism, people have lost 'sovereignty' because of a loan that will impose burden on them, to help the finance capital, betrays utter ignorance. Or, is it ignorance only? For, who can forget the open arm invitation to the multinationals for investment in West Bengal again and again, not only by Mr. Mitra, the Finance Minister, but even by the Chief Minister Mr. Jyoti Basu? West German,

British, French, Italian multinational delegations have expressed satisfaction over the welcoming approach they have received from the West Bengal's 'Left Front' Government. Not only this hundreds of crore of rupees from the World Bank have been coming to West Bengal with all the conditions of scrutiny, even on-the-spot check by its team sent by the Bank on the schemes financed by it. The CSTC, a Government venture, had to put to service mainly Special buses with three to four times higher fare structure, as per condition of the Bank for its help to the Corporation. People are paying higher fares with the same overcrowding in the 'special' buses, as are seen in ordinary buses. What all these instances show? Does Mr. Mitra's Government invite surrender of "people's sovereignty" then? Do all these instances speak of their sincerity also? However, we must admit that we are simply amazed at the profundity over Marxian teachings of the gentlemen who are fond of calling themselves 'Marxists'! Or will they come out with the "explanation" that with "Left Front" Government led by the CPI (M) in power, as in West Bengal, the people enjoy sovereignty despite the fact that they are living in a system which is nothing but capitalism run by the capitalists to rob the people for fetching maximum profit? They may say whatever they like—but it is clear that all these have nothing to do with Marxism. Not only this; by putting the burden on the common people the CPI(M) led Government is actually helping the crisis-ridden bourgeoisie to stave off its crisis—the same act which the Central Government led by the Cong (I) is doing. But this is a difference. The CPI(M) is serving the bourgeoisie by social democratic tricks. This reminds us of the historic warning of

Comrade Shibdas Ghosh which runs thus: "Once fascism came out of the womb of social democratism, now social democratism is the last resort of fascism."

They are saying that competition of foreign capital in Indian market with national capital, restraint on money supply and deficit financing, increase in the rate of interest will bring ruination of small and medium capital to the detriment of millions upon millions of toiling people. Are they not aware that the bourgeoisie are reverting to the same prescription all over the world, in their vain attempt to tide over the deepening crisis? True, the bourgeoisie are trying to resort to this prescription but the moribund capitalism cannot be brought back to youthful vigour. But what comes, instead, is further centralisation of capital which means, in the words of Marx, 'expropriation of capitalists by capitalists. But it is the toiling people who will have to suffer for this inexorable law of development of capitalism. Capitalism will remain but these curses will not befall on the people—it is an illusion, a dangerous, illusion at that, Mr. Mitra and Co. are spreading. It means that capitalism, moribund at that, can be 'reformed' to serve the cause of the people. It is nothing but a social democratic trick to keep the people slave to bourgeois exploitation, making them captive to bourgeois reformism.

The working people will have to grasp the real content of 'Leftism' of this kind. They are to be wide awake to the political development in the country's steady drift to all-out fascism. They see for themselves that while crushing financial burden has been thrust on them, they are being deprived of basic human rights. NSA, ESMA are some of the

## Kerala State Organising Committee On the forming of minority UDP Government

Trivandrum, 30th Dec. '81

The Kerala State Organising Committee of SUCI in course of a statement vehemently condemned the way the minority Government under the leadership of Congress (I) has been allowed to be formed in Kerala. This violates all sorts of democratic norms, principles and decency. The reactionary nature of this minority Government also tells beyond doubt that it would be an anti-people Government.

The State Organising Committee appealed to the people to get organised and resist the possible oncoming attacks from the ruling

capitalist class and its defender the present minority Government.

But, the State Organising Committee cannot but note with constraint that such a scope for the consolidation of the reactionary forces in Kerala under the leadership of Congress (I) was provided because of the anti-people, pro-capitalist, sectarian politics of the CPI(M) and other constituents of the LDF and the CPI(M)'s more anti-democratic act of supporting the various minority governments including the Charan Singh ministry at Centre in the past. The all such undemocratic precedents gavel everage to Congress (I) to form a minority Government in Kerala.

specimens of the authoritarian laws that are coming galore. Fascisation in economy, administration, judiciary, in the parliamentary system itself, is going on. Those who have eyes to see can see it very well.

They should also see that by this time the Indian bourgeoisie, as a class, has developed its economic might appreciably, emerged as a competitor to be reckoned with in the international capitalist market and become an important partner in the imperialist trust and cartel. It is not only exporting finance capital, the characteristic feature of imperialist economy, but also participating in a number of joint ventures abroad and along with all this is resorting to militarisation of economy to the extent it is capable of. Besides, taking advantage of the present international situation and consistent with its aspirant bourgeois character, it is playing in between different countries not excluding the two super powers. The cross currents of events even during granting of IMF loan also confirms this

truth. Naturally, along with pointing out the growing danger of fascism, the danger of emergence of India as a stronger imperialist country which is very much there in the present context, must be shown to the people. It is a tragedy that the CPI(M) leaders have failed to point out this real danger and instead is helping to sidetrack people's attention to get dividend in Parliamentary politics.

Should time, therefore, be allowed to the bourgeoisie for giving concrete shape to its diabolical design of bringing all-out fascism in the country and emerging as a stronger imperialist country? Or the working people should seize the initiative, when there is yet time, to organise themselves in mighty waves of sustained movement, building up their instruments of struggle, the people's committees, on the strong edifice of higher proletarian culture. And this is the call that Comrade Shibdas Ghosh gave us, this is the call of history.

# Criminal Apathy of the 'Left Front' Government

(Contd. from page 3)  
when the need of the hour was to take up the task of relief and rehabilitation on war footing and face it like 'one man', the entire administration including the Chief Minister have shown a surprisingly callous and indifferent attitude to this grave problem. The Chief Minister could not even find time to visit the affected areas despite the fact that plenty of allegations regarding relief poured in from different quarters. Not only this, most of the newspapers have reported about extreme lack of co-ordi-

even today mostly on non-official relief. Acute shortage of drinking water has posed a new problem of epidemic of cholera and other infectious disease taking fresh toll of lives. On the top of it, whatever relief is coming from the government, relief distribution has become a source of unhealthy tussel and wrangling in which petty party interest has become uppermost. It is really unthinkable how this narrow party fanaticism find place in matters concerning general interest of the people which exposes extreme lack of



A Relief centre organised by SUCI in Patharpratima P.S., in the Sundarbans



An apology for an embankment in the Sundarbans breached and swept away during the cyclone

nation between different ministers of the cabinet. Formation of coordination cell with four ministers after such a long period only reveals the naked truth of this report.

Till now, compared to the need, the relief in this area is meagre and beyond imagination. The poor and helpless victims, with no food, shelter medicine etc. are struggling hard for bare survival and passing through dreadful days. The fact is, they are depending

concern of powers that be for people's interest. It is, therefore, easily understandable what has been the picture of relief in areas dominated by the opposition parties.

We cannot but again feel concern about the impending danger of tidal waves during the ensuing New Moon because of the fact that nothing tangible has been done even after a fortnight to repair and construct permanent embankment along the rivers.

From our experience we can tell that the assurance given by the government about the construction and repair of embankments is sure to prove false and baseless as it has no relation with reality. Naturally, a strong tidal wave will again bring in its wake another spell of calamity and devastation, the possibility of which cannot be ruled out. At this very moment we want to emphasize this point very seriously.

In fine, it may be mentioned that our party workers of this area have plunged head long with relief work and stood by the side of the victims. Although we are conscious about extreme inadequacy of our resources and relief in such a grave situation, yet we are continuing with our relief work upto our capacity in areas under Canning, Patharpratima, Kultali, Mathurapur, Basanti and Joyngar P.S. For this, our Party is collecting relief fund and materials in 'all districts including 24-Parganas to which common people have shown splendid response. We appeal to the people that while they must strongly protest against this inaction of the government and the government comcell to discharge its responsibility, they must at the same time extend their hand of co-operation to stand by the side of these victims.

We place the following demands to the government for their implementation on war footing;

#### Demands

- (1) Adequate relief material—food, clothing, tarpaulin, etc. must be sent immediately;
- (2) Supply of drinking water must be ensured by digging sufficient number of tubewell;
- (3) Supply of adequate baby food for the

children must be made;

- (4) Medical units must rush to all the affected areas;
- (5) Task of pumping out of saline water, repairing and construction of permanent embankment must be taken up immediately;
- (6) All party committee must be formed to guarantee proper distribution of relief materials;
- (7) Adequate compensation must be provided to the affected families and families of the deceased;
- (8) Construction of houses and rehabilitation of those rendered homeless must be ensured;
- (9) Construction of demolished school buildings and repairing of the damaged ones must be ensured;
- (10) Text book, exercise book and other necessary materials for education must be supplied to the students;
- (11) All affected must be exempted from repaying agricultural loans;
- (12) Alternative work to the affected must be provided;
- (13) Impartial enquiry be instituted and exemplary punishment be given to the officers found guilty.

#### Correction

In our last issue Vol. 15, No. 8 in the article, "Middle East In Turmoil," page 2, column 5, line 39, in place of "had a progressive character" to be read as "had no progressive character". The mistake is regretted.  
—Editor, Proletarian Era.

## All India Students' Conference

ORGANISED BY AIDS O

January 8 - 10, Trivandrum, Kerala.

Inaugurator : Prof. Samuel Mathai

(Ex-Vice Chancellor, Kerala University)

Guest-in-Chief : Comrade Nihar Mukherjee

President : Comrade Provash Ghosh

Speakers : Comrade Chayya Mukherjee and others.

Editor-in-Chief—NIHAR MUKHERJEE