

THE PRESENT POLITICAL SITUATION

*Resolution of the National Council of the
Communist Party of India*

HYDERABAD, JUNE 9-15, 1966

COMMUNIST PARTY PUBLICATION

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PUBLISHER'S NOTE

The resolution on the present political situation passed by the June session of the National Council of the Communist Party of India held in Hyderabad would be of great interest not only to party members but also to the broad masses of party's supporters as well as to its critics and even to its opponents. This is so because this document attempts to give an exhaustive analysis of the political economic scene today when the ruling party has taken a disastrous turn, posing a challenging question "Whither India?" before all patriots and democrats. Is India to slide down to the neo-colonialist road or do the progressive and democratic forces—the workers, peasants and the intelligentsia—show the wisdom and vision to unite and bring about a mass upheaval which will defeat the anti-people and anti-national policies of the Congress and prevent the betrayal? The resolution also puts forward an alternative democratic platform of practical measures and reforms on the basis of which the left and democratic forces can unite and develop mass actions.

It is of the utmost importance that a wide discussion takes place round this democratic platform among the left and democratic parties and groups and also among democratic and progressive Congressmen, so that a common platform and plan of action emerges. This is necessary to bring about joint action in practice not only in the coming general elections, but also thereafter to unleash the great national mass upheaval which will put an end to the Congress misrule and its anti-people policies.

The purpose of the publication of this pamphlet is to initiate such a dialogue and we hope party members will use this and its editions in our languages effectively for the same.

July 1, 1966

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The resolution on the present political situation passed by the Executive Council of the Communist Party of India held in Hyderabad would be of great interest not only to party members but also to the broad masses of party's supporters as well as to its critics and even to its opponents. This is so because this document attempts to give an exhaustive analysis of the political situation as it stands today when the ruling party has taken a course which is posing a challenging question "Whether India, before all patriots and democrats is to slide down to the neo-colonialist road or do the progressive and democratic forces—the workers, peasants and the intelligentsia—show the wisdom and vision to unite and bring about a mass appraisal which will defeat the anti-people and anti-national policies of the Congress and prevent the betrayal. The resolution also puts forward an alternative democratic platform of practical measures and reforms on the basis of which the left and democratic forces can unite and develop mass action.

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The Indian political situation today is marked by increasing penetration of American imperialism in every sphere of our national life, exposing the utter bankruptcy of the class policy pursued by the Congress government.

The series of concessions recently made by the Congress government to American private capital and internal monopolies has now been climaxed by the most treacherous surrender, the devaluation of the rupee, shamelessly carried through behind the back of Parliament at the dictation of the World Bank. It denotes a dangerous turning point. These concessions and surrenders constitute the biggest blow to India's basic policies of independent development and non-alignment. They may well, if not halted and reversed in time by the joint efforts of all progressive and patriotic forces, prove to be a beginning of wholesale reversal of all positive gains of the country and the Indian people, opening the gateway to full-fledged neo-colonialist drive in our economic and political life.

This new course of policy adopted by the Congress rulers will further intensify the contradiction between imperialism on the one hand and the Indian people on the other; between the narrow clique of monopolists and landlords on the one hand and the vast majority of people including sections of the national bourgeoisie on the other; and last but not the least, between the Congress government and the popular masses on the other. The increasing indignation of the masses against these anti-national and anti-people concessions to American imperialism and the Indian monopolists will be the basis for developing a powerful and militant national democratic movement based on a broader unity of the democratic forces than ever before. The deepening crisis of the capitalist path at home and of the imperialist system, particularly of American im-

perialism abroad, strikingly confirm the Programme adopted by the Seventh Congress of the Party and underline the supreme importance of the central political tasks formulated therein. A sober estimate of the Indian political scene demands a careful study of the whole situation, both national and international, in order to lay down the immediate tasks.

The present international situation is marked by the increased aggressiveness of imperialism, primarily imperialist circles in the USA. Stepping up of the dirty war in Vietnam and escalation of the war to Laos and Cambodia; increased provocations against Cuba; direct military intervention as in the Dominican Republic; fomenting of conspiracies to overthrow those regimes in the newly-liberated countries which want to follow an anti-imperialist policy, or shift them to the right (as in Ghana and Indonesia); direct encouragement to the racists of South Africa and the fascist regime in Portugal; growing military alliance taking shape between the US and the Bonn revanchists on the basis of handing over to Bonn partnership in nuclear arms; attempts to build up a new system of military alliances and bases in South Asia and South-East Asia in the name of "containment of communism" (alliance system of "non-communist nations of Asia" under the patronage of US, a system in which a key role is assigned to Japan and India); attempt to establish a chain of bases in the Indian ocean; attempt to reshape the CENTO into a new "Islamic alliance" based on Saudi Arabia, Iran and Pakistan, directed against progressive forces in the Arab Middle East, etc. — these are the manifestations of the increased aggressiveness of American imperialism and the consequent aggravation of the international situation.

In carrying through their predatory and aggressive acts, the American imperialists are utilising the disunity in the world socialist camp, as well as in the international communist movement, caused by the divisive and splitting activities of the Chinese government and the Communist Party of China. It is unfortunate that precisely at this time, far from responding to repeated Soviet appeals to forge joint action against im-

perialist aggression and in support of the heroic Vietnamese people, the government of the People's Republic of China has instead stepped up its attacks against the Soviet Union and the other socialist states. The American imperialists are taking full advantage of this.

Though this series of aggressive acts of the imperialists does not arise out of a changed correlation of world forces in favour of imperialism, it is true that the disruption of the unity of the international communist movement and the division in the socialist camp have emboldened US imperialism to launch on a reckless aggressive course and made the task of fighting back the reactionary moves of imperialism as a whole much more difficult. However, it is a fact that the socialist system as a whole has become stronger in its economic, military and political might, the process of national-liberation movement advanced further despite certain serious setbacks in certain areas and the international working-class struggles and forces of peace and democracy, taken as a whole, have gone forward and become stronger. Imperialist aggressiveness therefore is not a sign of its strength, but a symptom of the growing crisis of the imperialist system, which more and more is unable to prosper in conditions of peaceful coexistence and peaceful competition with socialism. It is an expression of newly-sharpened contradictions, difficulties and crises in which American imperialism has landed itself, crises of the old system of military blocs (cracks in the NATO alliance due to French walk-out and in the CENTO-SEATO due to the attitude of Pakistan) due to the inter-imperialist contradictions. It is a sign of the growing isolation of American imperialism and its predatory policies, even from masses of the American people themselves (as on the question of Vietnam).

At the same time, the aggressive policies of the USA are being met with wider and broader mass resistance from many sides, which shows the growing isolation of the counter-revolutionary imperialist forces. In America itself, for the first time in the post-war years, a new phenomenon is seen—the beginning of a movement of resistance and struggle against

the current policies of Washington, for a new role of America in the world. The present mass revolts even in Saigon, Da Nang and Hue against the Americans and their puppet government show up the utter fiasco of their Vietnam adventure.

The crisis of American imperialism today is not only on the political plane, but on the economic plane also. Faced with new difficulties and crises on the economic front, American imperialism is carrying out an economic drive also—side by side with its political offensive. This is manifested in the shift in emphasis from “government-to-government aid” to seeking out more predatory fields and conditions of penetration of American private capital and the American government backing and underwriting this economic drive.

Faced with such a situation of growing crisis and difficulties and growing isolation of its policies, American imperialism is desperately seeking fresh avenues of exploitation and is intensifying its pressure against other nations all over the world. India attracts special attention, being the largest country in Asia after China. India occupies an important place in world economy and politics and is a “rich prize”; hence American imperialism is concentrating on India, following the near-collapse of its earlier system of alliances, war blocs and fields of exploitation.

The offensive which American imperialism has mounted on India is two-pronged—both political and economic.

In order to carry through their offensive, the US imperialists are fully exploiting the serious crisis of planning and development that our country is facing at present as a result of the capitalist policies pursued by the Congress leadership, particularly the food crisis. They utilise for this purpose the monopolies, grown strong in the course of the last 10 years, other reactionary forces, as well as the weakness of the present government. On the political plane, they are utilising the conflict that has existed between India and Pakistan and between India and China, with the border issue as the fulcrum.

Their immediate political aim is to promote reactionary political trends inside the country, subvert our policy of non-

alignment and undermine our role in world affairs as an anti-imperialist force, in the name of helping to defend India against “Chinese expansionism”. During the Indo-Pak war itself it was becoming quite clear that the conflict was being used by the US imperialists to divert attention from their defeats in Vietnam and to make India support the US aggression in Vietnam in return for military and economic “aid”.

The policy of peace, non-alignment and anti-colonialism pursued by the government of India, despite vacillations and compromises, served to strengthen Indian independence and enhance her international prestige. But under pressure of Anglo-American blackmail, the present government has started making serious concessions which weaken and undermine these policies and in particular emasculate its anti-imperialist content.

The government of India a year back, under Shastri, had publicly disapproved of American bombing of North Vietnam and asked for its “pause”. But the present Prime Minister, in her anxiety to secure American economic aid, has abstained from taking even the stand of the previous government. TELCO trucks have been despatched from Jamshedpur for use by the puppet government of South Vietnam, under the directions of the government of India. Indian Oxygen Ltd. is exporting goods of strategic importance to South Vietnam. India has signally failed to discharge the duties and play the role which peaceloving and anti-imperialist forces throughout the world expect of her as Chairman of the International Control Commission. And, in addition, the present Prime Minister has gone to the extent of signing a statement with Johnson agreeing to common aims with US imperialists in the matter of “containing China”.

The government of India has continued to refuse to grant diplomatic recognition to the German Democratic Republic while maintaining relations at the highest level with the West German government in complete and obvious violation of the policy of non-alignment. This refusal has become all the more reprehensible in the light of the open anti-Indian stand

of the West German government, strikingly revealed during the Indo-Pakistani conflict, and is thus another instance of the surrender by the government of India to imperialist pressures in regard to foreign policy.

The Tashkent Declaration, brought about through the initiative of the Soviet Union, marks a *turning point* in the history of this subcontinent and opens out a *new perspective*—a perspective of settling Indo-Pakistani problems without imperialist intervention in a manner that can lead to lasting peace and friendship between India and Pakistan to the mutual advantage of both our peoples.

The serious difficulties that are now being encountered in the way of implementing and carrying forward the Tashkent Declaration arise primarily from the policies of American and British imperialists from one end and those of the government of China from the other.

The Anglo-American imperialists want to regain their lost initiative in settling Indo-Pak relations in such a manner as will fit into their aggressive plans in South Asia and South-East Asia. With this end in view, they are encouraging reactionary opposition circles inside Pakistan to the Tashkent agreement by holding out baits of resumption of military and economic aid. First steps in this direction were taken during the recent visit of Pakistan's Finance Minister Shoab to Washington and his discussions with Johnson.

From the other side, the policy pursued by China in relation to India and Pakistan, its denunciation of the Tashkent agreement, its line of inciting Pakistan to renewed conflict with India, its offer of military assistance to Pakistan for this purpose, its open declaration that India committed aggression against Pakistan and if it does so again China will come to Pakistan's aid, plays into the hands of the American imperialists and indirectly subserves their aggressive policies in relation to this subcontinent. The policies of the Chinese government also strengthen the hands of those in India who do not want a settlement with China and want to push India into America's arms and weaken the hands of those who stand for

a peaceful settlement both with China and Pakistan. In particular must be mentioned the inflammatory campaign of the Jana Sangh and the RSS with their slogan of "end Pakistan".

The repeated nuclear test explosions by China are being utilised by reactionary circles in India to mislead and mobilise public opinion in favour of India going in for the manufacture of her own atomic bombs—a course which, if adopted, would not only result in nuclear proliferation but would mean the last straw on the back of the country's economy, already tottering under the huge burden of a Rs. 1,000 crore annual defence budget based on conventional arms alone. The demand for an Indian A-Bomb must be thoroughly exposed and vigorously combated. The recent joint memorandum by 187 members of Parliament belonging to various parties, including a number of prominent Congressmen, in support of the government's present policy of not joining the nuclear arms race reveals the extent of broad-based unity which can be built on this issue. Similarly the demand for a nuclear umbrella to be provided by the USA must be exposed as a dangerous proposal detrimental to our national interests and sovereignty.

Despite these difficulties, despite the fact that possibilities of increased tension flaring up on the borders cannot be ruled out, and therefore, the need for vigilance in national defence continues, it is the main task of the progressive forces inside our country to safeguard the Tashkent spirit, work for the further realisation of normal relations between India and Pakistan and to struggle actively against new attempts by reactionary forces to aggravate and inflame relations between the two countries. India must press forward to full implementation and carrying forward of the Tashkent Declaration, to overcome all difficulties in the path, utilising for this purpose the good offices of the Soviet Union. Another summit meeting between the Indian Prime Minister and the Pakistan's President with the good offices of the Soviet Union can yield fruitful results. Restoration of good-neighbourly relations between India and Pakistan, restoration of trade and economic co-

operation, can lead to final settlement of the Kashmir problem on the basis of the 1949 ceasefire line, with such adjustments as may mutually be agreed upon, being made the international boundary.

Due to the fact that the Kashmir valley has been the scene of wars and pro-imperialist interventions and conspiracies, the democratic development of Kashmir and her economic and social development has been distorted and disrupted. It is therefore necessary for the democratic movement in India and the India government to see that the Kashmiri people as an integral part of the Indian people are given all opportunities and help to develop their economy and better living conditions and democratic rights despite the emphasis on defence needs in that area. At the same time, the inroads of Indian monopoly capital should not be allowed into the valley and certain beneficial protection given under Article 370 of the Indian Constitution should be continued.

The recent period has witnessed a powerful advance of the democratic movement inside Pakistan. The fact that at the height of the Indo-Pak war, mass demonstrations of amity with India were held in East Pakistan is a striking testimony to this. The progressive forces in India must take all steps to reforge links with the democratic movement inside Pakistan in all fields (political, trade union, cultural, etc.). Such unity can form a powerful factor in the present situation for the implementation and carrying forward of the Tashkent spirit.

The India-China conflict is being utilised by the imperialist powers, by American imperialism in particular, for their own purposes, in order to develop their penetration into India, to strengthen their influence in various spheres of Indian life and to draw India towards them in the name of helping her against China. The continuance of the India-China conflict also keeps reactionary forces inside India warmed up. It enables the government to exploit the common people in various ways in the name of defence and attack democratic rights and liberties in the name of the Emergency. It also imposes a heavy burden on our resources for the purpose of defence expendi-

ture. The continuing hostility between the two largest states of Asia constitutes a major obstacle to the cause of Afro-Asian solidarity and the cause of world peace. Despite the continued hostile attitude of China, it is in the interests of the Indian people and of the country as a whole to exploit all avenues for a peaceful settlement with China either directly or through the good offices of friendly neutral powers. Pending settlement of the border issue, India should make an offer of entering into a no-war pact with China.

The new aggressiveness of imperialism demands that our non-alignment policy is strengthened and based firmly on active and consistent anti-imperialism and anti-colonialism.

The intensified assault of imperialism demands that India gives large-scale and substantial material support of all kinds to the people of Angola and Mozambique, other Portuguese colonies, to the peoples of South Africa and Zimbabwe (Southern Rhodesia) and all other peoples engaged in the battle for national independence.

India's silence in the face of the aggressive assaults by US imperialists on the independence of peoples, above all in Vietnam and also against revolutionary Cuba and the Dominican Republic and other countries, has blackened India's image in the world. Only a resolute anti-imperialist stand, a stand in defence of the national independence of all peoples, can restore to India the great prestige and position it once commanded in the countries of the world.

The border situation is aggravated by the conspiracies of the imperialists, who are trying to utilise the legitimate aspirations of many of the tribal or adivasi people of our country to have their autonomous democratic states, to bring about the detachment and separation of some areas on the eastern frontiers.

The failure of the Congress government to meet the democratic aspirations of the tribal people has enabled the British imperialist and Pakistani agencies to utilise the militant struggles waged by the Nagas and Mizos into demand for territorial separation and hostility to Indian unity itself.

In the frontier areas mere military pressure, in the surroundings of a hostile or discontented tribal population, cannot provide effective defence. Hence a correct democratic policy towards the tribal people has become an urgent necessity in the interests of national defence itself.

By far the most serious development of the recent period is the sharp aggravation of the crisis of our economy—of the crisis of planning and development as a whole; the drive of the imperialists—of American imperialism in particular—aided by the internal monopolies, to utilise this crisis in order to speed up their penetration into Indian economy and drag India into their neo-colonial net; and the serious concessions that are being given by the Congress government step by step to foreign and internal monopolies, bowing before American blackmail.

The crisis has manifested itself primarily in:

— Food scarcity and rising food prices, primarily due to sabotage of agrarian reforms and the increasing grip of the monopolies, big landowners and profiteering hoarders, and consequent hoarding and blackmarketing, throwing millions of people in the country into the arms of famine and starvation;

— Inflation and mounting price spiral;

— Crisis of resources internal as well as external, primarily due to the policy of compromise and concessions to imperialism, the landlords and the monopolists which has led to the failure even to formulate the Fourth Plan;

— Crisis of industrial production and general fall in the growth rate. In particular, the crisis has been intensified in those branches which are dependent on imperialist sources for raw materials, spares and components as well as for traditional markets, due to imperialist blockade, leading to closures, lay-offs and retrenchment;

— Continuous growth of unemployment and under-employment.

The reactionary bloc of monopolists are doing everything to worsen the crisis, attack workers' wages, DA, bonus and job security (through rationalisation and automation), as well as the people's livelihood in every sphere and press forward the policy of surrender to American capital as the only solution to the crisis.

It is admitted on all hands that the Third Plan has failed in many of its targets and the situation has come to this that the very formulation of the Fourth Plan is made dependent on the okay by the World Bank and on the declaration by the US of the exact quantity of the aid for the same.

The path of *independent economic development* pursued by India has rested on the basic foundation of heavy industries and a state sector, with the aid of the socialist countries, particularly the Soviet Union. It is this which has enabled India to fight neo-colonialism and strengthen the economic foundations of our independence during the last ten years.

But the inexorable fact remains that the basic path pursued by the Congress government is one of developing India along capitalist lines. It is this which made them, in the matter of mobilising resources, look to imperialism and the monopolies instead of pursuing the alternate path of taking radical measures against both foreign and Indian monopolies as well as the landlords which alone can form the basis of resources for a real people's plan. It is this basic policy which is responsible for the growing difficulties and contradictions in our economy, leading step-by-step to the present serious overall crisis of planning and development itself.

As a result of this basic policy, while independent economic development continued, penetration of foreign capital into Indian economy, strengthening of Indian monopolies and polarisation of wealth and poverty went on side by side.

Furthermore, the policy of compromise with semi-feudal elements and of relying on the bigger landholders to develop agricultural production has further intensified the crisis of planning and independent economic development, particularly in agriculture. After an initial spurt, agricultural production

has tended to stagnate during the Third Plan period, perpetuating and aggravating the food crisis and the shortage of certain essential raw materials. Evergrowing imports of foodgrains have eaten up hundreds of crores of scarce foreign exchange and have led to the humiliating dependence on PL 480 grains. Instead of drawing the necessary conclusions from the bankruptcy of this reactionary policy the Congress rulers have given a complete go-by to all pretence of agrarian reforms, aided and abetted evictions, sabotaged ceilings, denied even a minimum wage and homestead to agricultural labourers and opened the door to the establishment of big capitalist farms in agriculture and to the penetration of foreign monopoly capital in the fertiliser industry so far reserved for the public sector. Such is the price the nation had to pay for the Congress policies of developing agriculture along capitalist lines without eliminating the semi-feudal fetters that shackle the vast productive forces in agriculture.

The aggravation of the contradictions and difficulties in Indian economy are, therefore, primarily the result of its development in a capitalist way, which is further complicated by preservation of strong remnants of feudal relations in the countryside and penetration of foreign capital into our economy.

The severe crisis which has engulfed planning and development in our country today has reached such an acute stage that it cannot be successfully overcome without *radical changes in the economic structure* in the fields of industry and agriculture, in the direction of curbing monopoly, foreign and internal, and curbing the big vested interests in agriculture. This necessitates on the part of the Congress government a sharp break with the anti-people policies of the past and a basic reorientation of policy in an anti-imperialist, anti-monopoly direction.

Instead of making such a turn, they are trying to solve the internal problems through increased exploitation of the working masses, more concessions to internal monopolies and more reliance on foreign capital, especially American capital, and on the vested interests in agriculture. It is this which is responsible for the appearance of new features in the economic policy of

the Congress government, surrendering one position after another to foreign capital, giving the opportunity to the American imperialists to influence politics and economic developments in India to the detriment of our independence itself.

Utilising our economic and foreign exchange difficulties and, above all, their vantage position as donors of PL 480 food to "save" India from the man-made famine, the American imperialists are dictating terms for aid which will lead to the destruction of our independence. Their main terms can be summed up as follows:

— Indian government to repattern its economic policy and the Fourth Plan under directions of the World Bank;

— Full and free entry to foreign private capital in all fields on equal terms with Indian capital;

— Majority share and management control in the hands of the foreigner with full "decontrol" of the market and prices;

— No extension of the state sector any more, least of all in heavy industry and machine-building; "denationalisation" of some key branches.

— Commercial crops (cotton, oil-seeds, etc.) to be bought from the US and India to produce foodgrains only;

— "Priority" to agriculture in planning;

— "Liberalisation" of imports and full decontrol, no restrictions on "free enterprise";

— Devaluation of the Indian currency;

— Indian education to be oriented on the American lines through a Indo-US Foundation;

— Reduce costs by slashing wages and suppression of strikes, democratic liberties and trade-union rights;

— Falling in line with American foreign policy, starting with the war in Vietnam.

These are the terms which have been put to the Congress leaders during their recent visit to Washington and the US-dominated World Bank is to play the role of a supervisor of

our economy, checking the fulfilment of these terms, step-by-step.

The American imperialists know fully well that all these terms put forward and accepted at one stroke in their totality would raise such public resistance in India as to make the position of any government doing so precarious and untenable. Hence they are pursuing the technique of keeping India "on short leash" releasing doles of aid bit by bit, while checking up on our "performance", increasing their demands at every stage so that step-by-step our country gets into deeper involvement with them and each surrender prepares the ground for the next surrender.

Economic domination paves the way for political domination.

Recent reports have revealed that the American CIA is already at work inside India in its usual counter-revolutionary traditions as described so well by *The New York Times* itself. The recent collaboration agreement made by the government with private American firms for aerial and ground survey for non-ferrous metals, the Indo-American Foundation, and similar ventures are fruitful fields for American CIA penetration and operation, as the experiences of several countries have shown.

The American imperialists are concentrating upon preparing the ground for the general elections of 1967, aiming to strengthen and back up reactionary forces in every possible way. The revelation made by T. T. Krishnamachari at the recent Bombay AICC session about the Rs. 47 crores of "un-accounted" PL 480 counterpart funds withdrawn and used by the American authorities in India is a serious pointer in this direction.

The present indications are that the Congress government is ready to accept many of the American terms. The Indian monopolists and right-reaction, both inside and outside the Congress, have been in agreement with such ideas for a long time. It is known that the right-wing forces inside the Congress consolidated themselves during the recent AICC meeting and are moving more and more unitedly towards the general elections. This rightist consolidation inside the Congress today has

become a major vehicle of carrying out the American economic policy in India, as for instance in regard to devaluation.

The Indo-American Foundation has been accepted by Indira Gandhi. On the question of fertilisers, the agreement recently concluded with regard to the Madras fertiliser plant represented complete surrender to all the American demands (including management control for 14 years). Not only that, Planning Minister Asoka Mehta has already revealed that foreign private capital will be allowed majority participation in petro-chemicals, electronics, special alloy steel and in certain other sophisticated machine-tool industries. With disgusting vulgarity, Asoka Mehta told American magnates that "the womb of India is opening up" thus inviting their uncontrolled exploitation. He further developed the thesis of "back-seat-driving" for the foreign monopolists which, in plain terms, means that these foreigners will be allowed real control in concerns behind the facade of their Indian collaborators.

"Liberalisation of imports" and "decontrol" have been accepted in principle, which means in practice an end to the movement for self-reliance and deeper enslavement to foreign capital.

Acceptance by the Indian government of the Extended Guarantees Agreement by which the US government provides cover to American investments in India is an indication of the extent of the concessions made.

The American Vice-President Hubert Humphrey has revealed, in regard to the discussions with the government of India, that "they have gone into the whole matter of development of the economy and the social and political structure".

The New York Times states: "Much of the change in Indian economic policies was the result of steady pressure from the USA and the World Bank. . . . US pressure had been particularly effective because the USA provided the largest part of the foreign exchange needed to finance India's development and keep her industry moving. Whether these were called 'strings' or 'conditions', India has little choice now but to agree to many of the terms the World Bank is putting on its aid. For, India has nowhere else to go."

What *The New York Times* has stated has been completely confirmed by the latest and most serious surrender by the Congress government to the dictates of the American monopolies, namely, the devaluation of the rupee. This is a central demand which has been insisted upon by the World Bank for some time. The Congress rulers have always been telling the people that they would never agree to it. And now, behind the back of Parliament, this demand too has been accepted by the present government, in gross betrayal of the national interests.

The devaluation of the rupee will have most serious repercussions of our economy. Its practical effect would only be more freedom for the American monopolies to loot our country's resources, increase of imperialist grip on our economy and of our foreign debt burden, aggravation of inflation and the price spiral, plan "pause" and slowing down of the pace of industrialisation and more tax burdens on the common man. Even those sections of Indian industrialists, barring the collaborationist monopoly houses, will be hard hit by devaluation.

All these facts lead to the irresistible conclusion that the concessions that are now being given to the American imperialists bear a different significance today compared to what has happened till now. The new concessions are qualitatively different in the sense that they not only weaken, but also undermine, the very basic policies of non-alignment and independent economic development and raise the danger of eventual reversal of these policies. They in fact constitute a danger to the very independence of our country.

Reactionary monopoly sections and right-reactionary forces emboldened by these concessions have intensified their campaign demanding complete decontrol, unfettered flow of foreign capital and abrogation of labour laws. They are demanding a complete go-by to public sector and planning and a line-up with the Americans. These elements are thus out to utilise the situation to bring about the quickest reversal of these policies.

Nevertheless, cooperation with the socialist world, a series of new agreements with the Soviet Union and other socialist countries and the continuance of friendly relations with the

Soviet Union are most important positive factors which give us the guarantee that the new dangerous drift can yet be halted, provided the democratic forces unite and resist these concessions and fight for a radical change of policy towards the left.

Recent developments clearly show that the situation is extremely favourable for the left and progressive forces to unite and go into militant action to prevent the sell-out and hurl back the imperialist and reactionary offensive.

The consolidation of friendship and economic cooperation between India and the Soviet Union and other socialist states, which has received further strengthening and attained new and wider scope in the period following the Indo-Pak war, acts as the most powerful bulwark against a throw-back towards neo-colonialism. It is possible for the progressive forces in our country to use the tremendous economic and other help that the socialist countries give to India in order to counter the forces of reaction and build up self-reliance and to develop her economy along independent democratic lines and take the path forward to complete economic independence and well-being of the masses.

American blackmail and the concessions made to it by the Congress government have already evoked strong protest in the country, including within the Congress party itself, and put the government leadership on the defensive. This was clearly manifest during the recent Parliamentary debate as well as at the Bombay AICC session itself.

Devaluation has met with the widest opposition inside the country from all quarters including sections of the industrialists themselves.

These developments are accentuating the *political differentiation* within the Congress and the national bourgeoisie, between the reactionary pro-monopoly sections on the one hand and the democratic anti-monopoly sections on the other. Sharp policy differences have emerged within the Congress itself on the Subramaniam food policy, on the fertiliser deal, on PL 480, on Asoka Mehta's statements in Washington and

subsequently in India, etc. The Indo-American Foundation has come in for bitter attack and criticism from prominent educationists. The policy of promoting joint-stock companies in agriculture (concessions to the Birlas in the Punjab, etc.) had to be temporarily stayed and the proposal for state seed-farms through socialist aid seriously taken up as a result of popular pressure both inside the ruling party and outside.

The Indo-Pak war had led to a temporary patch-up of widening rifts within the Congress organisation in different states. Now the rifts have again come to the fore and have sharpened in many states, leading almost to splits in some cases. Not only that. These rifts are getting somewhat linked with *policy issues* directly or indirectly in certain cases as in West Bengal notably. The Congress party now is being forced into accepting electoral alliance with other parties in order to save itself at the general elections.

Similarly, the contradictions between the policies pursued by the ruling Congress groups in different states and the masses are also rapidly sharpening, giving rise to possibilities of broad and united militant mass struggles on a bigger scale than ever before, and increasingly drawing into these struggles democratic masses under Congress influence.

It is this objective situation that is helping today to break all barriers between different left parties and bring them closer together in different states into joint action on a variety of issues.

The bandhs in Bihar, Kerala, Maharashtra, Rajasthan and West Bengal; the great general strike of the Bombay textile workers for bonus and against cut in DA; the growing united action of left parties in UP, Gujarat, Bangalore, Madhya Pradesh; the one-day general strike of 2½-lakh government employees in the Punjab and the similar great action of the government employees in UP; all these denote the emergence of a *new stage* in the development of the democratic mass movement in our country, a *new stage* in which unity of the *left parties* plays a *key role* in unleashing mass movements of unprecedented heights against the anti-people policies of the Congress govern-

ment. Given correct forms, orientation and slogans, these movements exert powerful impact on the Congress and the masses under Congress influence, drawing sections of these into the current of the struggle as happened in West Bengal, Kerala, Maharashtra and Bihar.

In West Bengal, the bandh movement against the food policy of the Sen Ministry, for food and kerosene, almost reached the character of a *national upsurge*, the united citizens' committees springing up in several localities in the course of the movement bearing the embryonic nature of committees of the national-democratic front. The people's militancy and anti-government anger could not be cowed down by the savage measures of repression used against the movement, including over 80 persons being shot dead and the army being called out to enforce curfew and "law and order".

The example of West Bengal furnished an instance of how, under the impact of an unprecedented mass movement on food led by the unity of the left parties, the political differentiation in the Congress actually reached the point of a split.

The experiences of the last six months demonstrate concretely in practice the inter-relationship between left unity and the building up of the national-democratic front and show that it is wrong to counterpose the one to the other.

The *initiatives* which our party took in the different states and a *leading role* it played in the bandh movements and in forging left unity (both at state levels and on all-India plane) must be specifically emphasised. Through these initiatives, we have helped to bring about a change in the atmosphere in the country and set in motion definite positive trends in favour of overcoming the disunity and weakness in the ranks of left and democratic forces.

But it must be admitted that the unity forged so far remains confined mainly to economic issues, while on key political issues disunity and differences persist. It is this *political weakness and disarray* of the left and democratic forces that is being fully utilised by imperialism and the forces of reaction to push through their offensive.

This makes all the more urgent for the party to concentrate on the political task of mobilising all progressive and left forces in the country, all democratic parties and mass organisations, for a joint political battle against the offensive of the foreign imperialists and Indian reactionaries and the Congress government's surrender to them. The central political task is to forge democratic unity in action to check the sliding down towards the right, to prevent the sell-out to the Americans and for a turn towards the left, in a united militant manner.

For this, the party must take the initiative to put forward and popularise a democratic platform for the safeguarding of our independence, for overcoming the economic crisis and for defending the interests of the working masses, as a clear and practicable alternative to Congress policies.

Such a democratic platform must be based upon urgently-needed radical changes in the economic structure in an anti-imperialist, anti-feudal and anti-monopoly direction. It must include:

— Defence of national sovereignty and rejection of all foreign aid which is contrary to national interests;

— Annulment of collaboration agreements which give foreign capital the right of majority participation or management control;

— Ban on fresh collaboration agreements between Indian and foreign private capital;

— Intensification of the movement for self-reliance and import substitution, enlisting of the full cooperation of our scientists, technicians, intelligentsia and the trade unions; compulsory purchase and utilisation of Indian know-how by Indian industry.

— Not continued dependence on PL 480 for food but implementation of radical land reforms liberating the peasant from the deadly grip of profiteering vested interests and giving him all aid for the development of agricultural production, monopoly purchase of foodgrains by the state, guaranteeing a fair price to the peasant and introduction of statutory

rationing in all urban areas with a population of one lakh and above, rationed supply at fair prices for agricultural labourers and poor peasants, as well as for non-agricultural sections in rural areas and smaller towns; stern action against hoarders and profiteers and requisitioning of hoarded stocks;

— Effective measures to curb the monopolists and to break-up, in particular, the 75 monopoly houses exposed in the Monopolies Commission Report; and provision of adequate aid and protection to small and medium industrialists;

— Nationalisation of banks, oil, and export-import trade;

— Immediate ban on remittance of profits, dividends, royalties, etc., and repatriation of capital outside the country; a short-term moratorium on all debt repayments involving payment in foreign exchange;

— Extension of the public sector to the field of the big consumer industries and export industries through coordinated plans between India, the socialist states and Afro-Asian states;

— Democratisation of the public sector and radical change in its present production and pricing policies enlisting the cooperation of the trade unions, so that the public sector becomes an effective weapon for curbing and fighting monopoly;

— Workers' effective participation in the management of big industrial concerns;

— Progressive planned diversion of our foreign trade towards the socialist states and Afro-Asian countries in order to rapidly reduce our dependence on the world imperialist market;

— All trade to be conducted on rupee payment basis and united efforts made with all developing countries and socialist countries against imperialist exploitation through non-equivalent trade exchange;

— Not more tax burdens on the common man, but effective measures against inflation and a radical change in the present taxation policy in order to make the rich pay and

reduce the burden on the common man, and effective measures to unearth black money and check tax evasion;

— Democratic administrative reforms and economy in governmental expenditure;

— Firm and effective anti-corruption measures;

— A new orientation and reorganisation in our educational system to suit the needs of our country;

— Resources for national development should be raised through such means as nationalisation of banks, earnings from nationalised foreign trade, state-trading, by mopping up the accumulated wealth of the monopolists and former princes, by staying the payment of compensation to the big landlords and cancellation of privy purses to princes, by unearthing black money, by more efficient running of the state-owned industries, by drastically reducing wasteful top-heavy administrative expenditure and by further improving trade and other economic relations with the socialist countries, national development thus can be based primarily on such mobilisation of internal resources;

— Charter of basic working-class and peasant demands;

— Lifting of the Emergency and scrapping of the DIR;

— Withdrawal of powers given to government to call in the armed forces for the purpose of suppressing democratic mass movements;

— No foreign penetration into our cultural and educational field; scrapping of the Indo-US Foundation Agreement;

— Full implementation and carrying forward of the Tashkent Declaration; exploration of all avenues of peaceful settlement of India-China border conflict and bringing about of no-war pact;

— Full support to the heroic struggle of the Vietnamese people against American aggression and demand for an immediate end to this aggression;

— Rejection of all imperialist schemes for the "containment of communism"; a foreign policy based firmly on peace, non-alignment and active consistent anti-imperialism and anti-colonialism.

The central political task of the Party in the coming period is to lift the movement to the level of a political battle against American imperialist blackmail, monopoly pressure and the Congress government's policies of yielding to it step-by-step. With this end in view, the party must sharply expose the present dangerous shifts in the policies of the Congress government and the basic reasons that have led to the present crisis of planning and development. The party must immediately launch a national political campaign putting forth the democratic platform based on radical changes in the economic structure as a clear practicable alternative to present Congress policies and shape democratic and left opinion inside the country to fight for such a platform. This must form the main content of the party's election propaganda.

Only such a clear-cut stand, combined with firm leadership of mass struggles against the anti-people policies of the Congress government will strengthen the hands of all those inside the Congress organisation itself who are critical of the present Congress policies.

Today our country is faced with a situation where *political intervention* by the party has become most urgent. No mass issue, no mass problem facing our people, including the issue of national defence, can be tackled today in isolation from the *central political problem* of defending our national sovereignty from the attacks of the American imperialists and internal monopolists and fighting for radical structural reforms in the field of our political and economic life. That is why, in the coming period, the party, both on an all-India plane and in every state, must relate and link-up all aspects of its activity, all mass struggles it conducts, with this *central political issue*. Every effort must be made to forge the widest possible democratic unity in every form on this central political issue, with progressives within the Congress, with left parties, with all democratic parties, mass organisations and individuals who are willing to join in common action on this issue. Broad conventions, seminars, etc., must be organised for the discussion of the burning national issues involved as devaluation, defence of

national sovereignty, etc.

The task of overcoming the present political disarray of the left and democratic forces, of lifting the movement to the level of a national political battle for new policies can be discharged by the party, only if it simultaneously combines two tasks. On the one hand, it has to carry forward the left unity already achieved in forging mass struggles against the anti-people policies of the Congress government. On the other hand, it has to carry on, from its independent platform as well as in unity with allies whenever possible, big mass struggles on local, state or national scales on burning issues affecting and agitating the masses and an intense political campaign of popularisation of the democratic platform; and at the same time, start a friendly dialogue with other left parties as well as progressive Congressmen at all levels. Only by combining the above two tasks can the party influence left and democratic forces in the country to come together on a political plane and thus build up step-by-step democratic political unity in action.

To the extent the party is able, in the coming period, to focus attention on this central issue and shape democratic and left opinion inside the country to fight American blackmail and the Congress government's step-by-step surrender to it, as well as the conspiracy of right reaction and to fight for basic policy changes, only to that extent shall we be able to register successes for the forces of progress at the coming general elections of 1967. Our preparations for the coming general elections and our electoral campaign will be judged in relation to this central political campaign. It is this central political campaign of the party that will set its impress on the rank-and-file of the masses of the left parties as well as the masses following the Congress; that will give political flesh and blood to our call for programmatic unity of the left parties to fight the coming general elections; that will rouse the masses of the electorate to support our principled political approach towards the elections. That will enable the masses to differentiate between right-reactionary opposition to the Congress and progressive democratic opposition to the Congress. Through such a clear-cut and sharp poli-

tical campaigning alone can the party prepare the ground for breaking Congress monopoly of power in as many states as possible at the coming general elections and put in its place progressive, democratic ministries, strengthen the democratic opposition everywhere and in Lok Sabha as well as prepare the ground for a new alignment at the centre which will halt the present trends and make possible decisive policy shifts towards the left.

The party will initiate at all levels an immediate intense political campaign, through all forms, on the basis of this resolution.

Against the effects of devaluation, it is possible to rally and unite our people in common struggles on a wider scale than ever before. All sections of our people can and must be organised and mobilised against the effects of devaluation and for resistance on a national scale to all attacks directed against the living standards of the masses and the interests of the nation. It is of the utmost importance that such broad united actions to be developed on concrete issues arising out of devaluation and every effort be made to draw in every section of the people including small and medium industrialists and businessmen who are also affected into popular mass activity.

But it has to be realised that in order to broaden the movement and make it irresistible, the unity of the left forces, though important, is not enough. The vast masses of Congressmen and Congress supporters as well as the masses behind other parties who cannot but feel indignant and concerned can and must be approached for joint struggle against the aftermath of devaluation and other government measures injuring the life of the people and the nation. In the present situation, big possibilities open out to break the wall that still divides the democratic forces within and without the Congress.

Devaluation of the rupee is not an isolated act. This anti-national measure constitutes an integral part of the offensive of the imperialists and monopolists in our country to which the present Congress government has been ignominiously yielding at every step in cynical disregard of the interests of the

masses and the nation. The defence of the interests of the masses and the nation call for united mass actions in every sphere of our economic and political life. It is to develop such actions that a platform of concrete demands has been herein put forward.

There is no need to assume that after devaluation all is now irretrievably lost. The last word still rests with our people and the people can most certainly fight back and halt the dangerous course which this Congress government has taken if only they will unite and move confidently into united mass actions. The platform outlined in the resolution provides the rallying ground.

The present situation raises the perspective of Bharat bandh more seriously than ever before. Let the energies of the organised working class and of the entire democratic movement in the country be so directed and the mass movement so developed that an all-India mass action in the form of Bharat bandh does take place. Let Bharat bandh be our people's answer to those who have dared to strike so cruel a blow to our nation and its future.

MASS ACTION

The central political task of the Communist Party of India in the coming period is to lift the movement to the level of a political battle against US imperialist blackmail, monopoly pressure and the Congress government's policy of yielding to it step by step, which has now culminated in the surrender of devaluation.

All sections of the people have to be mobilised for this battle—workers, peasants, middleclass and the patriotic sections of the national bourgeoisie.

To give a focus to mass actions and to facilitate the process of building the broadest democratic unity, the National Council of the Communist Party of India has worked out a democratic platform for discussion with other parties. This platform is based upon urgently needed radical changes in the economic and political structure in an anti-imperialist, anti-feudal and anti-monopoly direction. It represents a clear practicable alternative to the present disastrous policies of the Congress government.

The National Council of the Communist Party of India calls upon all Party members and units to initiate a massive political campaign around this platform. In the context of the developing situation of rising prices, and growing attacks on the living conditions of the working people, as a result of devaluation, the mass political campaign will inevitably be combined in the various states with all sections of the people moving into action and battle in different forms like demonstrations, strikes, gheraos, dehoarding and bandhs, either under the leadership of the party or under that of a united left front.

As a climax to such battles, the National Council of the Communist Party of India decides to organise a mighty mass demonstration before Parliament in Delhi on September 1,

1966. On that day, people from all corners of the country will converge on the capital to demand of Parliament that it dismiss the government which has betrayed the interests of the people and nation.

The National Council of the Communist Party of India appeals to all left and other political parties, mass organisations and all patriotic and democratic Congressmen to join this national mass protest action, irrespective of differences on other issues.

The National Council of the Communist Party of India directs the Central Secretariat to begin immediate preparations for the effective and successful carrying out of this national mass action.

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