

**Report on Political Developments**  
**{Adopted At the Central Committee Meeting**  
**Communist Party of India (Marxist)**  
**November 19 to 21, 2010}**

**International**

The international scene has been dominated in the past three months by the continuing economic crisis and its manifestations. Many governments have been resorting to austerity measures and cuts in public expenditure which is adversely affecting the working people. This is meeting with resistance from the working class in various countries. Another manifestation is the rightwing backlash utilizing the discontent due to unemployment and other economic difficulties. In Latin America, the Left continues to maintain its position in the face of rightwing opposition.

**Global Crisis Continues**

The latest *World Economic Outlook* released by the IMF in October 2010 talks about "*a temporary slowdown during the second half of 2010 and the first half of 2011*". This has punctured the claims of 'recovery' made by the IMF and other international organisations earlier this year. An assessment made by the OECD in September 2010 also notes "Recent high-frequency indicators point to a slowdown in the pace of recovery of the world economy that is somewhat more pronounced than previously anticipated...growth could slow in the G7 economies to an annualised rate of about 1½ per cent in the second half of the year...It is not yet clear whether the loss of momentum in the recovery is temporary..."

The economic crisis is far from over in the advanced capitalist world, with unemployment persisting at very high levels. The unemployment rate was 9.6% in the US in October 2010 and 10.1% in the Euro Area in September 2010. For the 33 advanced capitalist countries of the OECD as a whole, the unemployment rate was 8.5% in September 2010, with the total unemployment level reaching 45.5 million (over 4.5 crore).

The policy changes and political developments in the advanced capitalist world have a direct bearing on the continuance of the crisis. In the immediate aftermath of the crisis, governments in the advanced capitalist countries adopted expansionary fiscal policies (increased public spending and higher budget deficits) in a coordinated manner, which helped in preventing the global

recession of 2009 from turning into a depression. However, much of the fiscal stimulus went in bailing out the failed banks and financial conglomerates. Having regained their financial muscle and clout, these financial interests started pushing their agenda against fiscal expansion and financial regulation. With the outbreak of the sovereign debt crisis in Europe earlier this year, which was precipitated by the financial speculators, the policy focus started shifting from fiscal expansion to fiscal austerity (public spending cuts and deficit reduction) by mid-2010.

Over the past few months, governments across the advanced capitalist world have been imposing public spending cuts. The trend is most pronounced in Europe, where rightwing conservatives currently lead the governments in all the major economies (Germany, France, Italy and also the UK). The less developed economies of Europe like Greece, Ireland, Portugal, Spain, Romania etc. have also been forced by the EU-IMF combine to implement severe austerity measures (cuts in public sector wages, pensions and social welfare measures). Such rightwing policies have aggravated the unemployment situation and given rise to protest actions by workers and the youth. The discontent is also fuelling support for the extreme rightwing and anti-imperialist forces in some of these countries.

The failure of the half-hearted fiscal stimulus measures in the United States and the continuing high rate of unemployment have led to popular discontent which has been cashed in by the rightwing forces. The rise of the 'Tea Party' movement symbolized this. In the Congressional elections held in November, the Republicans have won a majority in the House of Representatives and reduced the Democratic majority in the Senate. The Obama administration will now be compelled to adopt policies of cutting public spending and the fiscal deficit which will only serve to aggravate the crisis in the United States and the rest of the world.

### **Working Class & Popular Protests in Europe**

France has witnessed a series of demonstrations during this period. Four huge working class actions were held, with every subsequent demonstration seeing increased participation. Millions of protesters demonstrated across France demanding that the government drop plans to raise the retirement age from 60 to 62. The government's aim is to make the pension system break even by lifting the minimum retirement age to 62, although people would have to wait until 67 if they want full pension benefits, up from age 65 at present. Thousands of students marched along with the unions and boycotted schools and colleges. Teachers, postal staff, bus drivers

and refinery workers went on general strike and crippled transport, schools and the postal service for eight days.

Several other countries too witnessed massive protest demonstrations against the 'austerity' measures introduced by their respective countries at the behest of the IMF. Workers in Greece continued their protests shutting down tax and customs offices, town halls, schools and universities.

Similarly, trade union coalitions in Portugal, Bulgaria, South Africa; mine workers in Italy, Spain; teachers in Romania; students in England, Austria; railway workers in Germany, Belgium too protested against the austerity measures or cuts in public spending affecting jobs, hikes in tuition fees or cuts in social security.

## **Currency Wars & Emerging Contradictions**

The recent period has witnessed a currency war among the leading economies of the world. Each country is working for a depreciation of its currency vis-à-vis the others. A depreciated currency helps enlarge exports since its goods become cheaper compared to those of other countries and also helps reduce its imports. Such a situation has developed because world aggregate demand is not increasing. Faced with burgeoning unemployment, the United States is no longer willing to offer its markets for exports from other countries. This has brought the US into direct conflict with China, which has emerged as the most successful exporter in recent times. The US demands that China revalue its currency, the Yuan, to limit Chinese exports to the US and to make US exports to China more attractive.

The recent G 20 Summit in Seoul witnessed efforts by the US to impose caps on exports of the surplus countries, which were resisted by the latter. The export surplus countries also opposed the unilateral decision by the US Federal Reserve to devalue the dollar by buying up US government securities worth \$600 billion over the next eight months. Efforts by the US to line up other G 20 countries to pressurize China into appreciating its currency also failed. The outcome of the Seoul Summit has been an uneasy compromise, where a vague action plan has been outlined which includes everything from 'fiscal consolidation' and 'market determined exchange rate systems' to 'refraining from competitive devaluations', 'vigilance against excess volatility', 'structural reforms to boost and sustain global demand and foster job creation', 'reducing excessive imbalances' and 'promoting external sustainability'. These objectives, however, are not mutually consistent.

It is in this context of the US desperately trying to increase its exports and boost jobs inside the country that we should see the efforts made by Obama during his recent visit to India, to prise open Indian markets.

## **Latin America**

**Venezuela Election Results:** In the elections held to the 165-seat Venezuelan Parliament in September, the ruling PSUV won 96 seats (58.18 percent of the Assembly seats), while the opposition coalition Democratic Unity Round-table (MUD) won 64 seats. The centre-left Fatherland for All (PPT) party, a former Chavez ally that split with the PSUV, won two seats. Three seats went to indigenous people's representatives unaligned with either the PSUV or the MUD. In these elections the PSUV secured 48.2 percent of the votes, while the opposition MUD secured 45.1 percent. (The opposition had boycotted the last election).

The PSUV lost their two-thirds majority in the assembly, and thus would not be able to pass legislations on its own involving basic changes. The PSUV also did not attain a three-fifths majority, which means it would not be able to pass enabling legislation without the aid of 3 non-PSUV members of the National Assembly.

**Brazil Election Results:** The Workers Party Candidate Dilma Rousseff won the Presidential election in Brazil in the second round. She will succeed Lula da Silva who has stepped down after completing two terms. The new President is expected to continue the policies followed by Lula.

**Coup Attempt in Ecuador:** There was an attempted coup in Ecuador by some police officers who were working in concert with right-wingers opposed to Correa's socialist-oriented policies. President Rafael Correa was trapped for more than 12 hours in the hospital where he had been surrounded, roughed up and tear-gassed by rebellious police. He was finally rescued by the army from the hospital. The failed coup attempt in Ecuador, coming in the immediate aftermath of the coup in Honduras, once again points to the efforts by the reactionary forces backed by imperialism to topple the popular governments in the region.

## **South Asia**

**Sri Lanka:** After the presidential and parliamentary victories registered by the ruling alliance, Rajapakse has moved to further consolidate his power. The parliament has amended the law removing the two term limitation for the President. Rajapakse who begun his second term can now stand for President again. By another measure, the President can now appoint the judges to the

Supreme Court and other important positions without having to get it approved by an independent council. The rehabilitation of the displaced Tamil people is still far from complete and is proceeding at a sluggish pace. There has been no substantial measures taken to advance the political process of providing more powers to the Tamil areas. Despite the urging by the Government of India there has been not much progress on these issues. The Sri Lankan government is seeking to amend the law to allow private universities including foreign universities in the country. Protests by students have led to repression with scores of student leaders being arrested and more than 200 students being suspended from the university.

**Nepal:** The political stalemate in Nepal continues. After several rounds of voting to elect the Prime Minister, the Maoist leader, Prachanda, withdrew from the contest. This left only Nepali Congress leader Ram Chandra Poudel in the contest. After sixteen rounds of polling he has been unable to muster a majority. The 17<sup>th</sup> round of polling has been postponed till the 19<sup>th</sup> November in view of the Supreme Court's direction that parliament should seek an alternative method to resolve the issue.

**Myanmar (Burma):** After two decades the military junta held elections for the National Assembly in the first week of November 2010. The National League for Democracy (NLD) had been proscribed earlier. All parties supported by the military were the main contestants in the elections. A breakaway faction from the NLD contested the elections, so did some smaller parties in the opposition. The ruling establishment has claimed that it has won 80 per cent of the seats. While the elections were heavily tilted in favour of the pro-military parties, the only saving grace is that some opposition legislators will be there. Some of the generals quit the army to contest the elections. The new government to be formed will be run by civilians who will have the backing of the army. Myanmar being part of the ASEAN is getting its backing for its seven-point plan for democracy.

Following the elections, the military regime has released Aung San Suu Kyi from house arrest after seven and a half years. While she remains immensely popular among the people, she is faced with the difficult task of rebuilding the NLD which has been weakened and divided.

## **Afpak Policy**

Pakistan witnessed the worst floods in living memory which affected large parts of the country, killing hundreds of people and displacing lakhs of people. The civilian government failed to cope with the calamity. The army stepped in for relief operations which has

earned it goodwill. Terrorist violence continues unabated. There have been bomb blasts and suicide attacks on Sufi shrines and other places of worship killing hundreds of people. It is estimated that 25,000 people died in 2009 alone due to terrorist and ethnic violence. The United States has been pressurizing the Pakistani army and the government to conduct more operations against the Taliban forces on the border. A drone attack on a Pakistani border outpost killing three Pakistani soldiers led to the closure of a transport road to Afghanistan which carries supplies for the American troops. The United States had to tender an unqualified apology to Pakistan before the route was reopened.

In Afghanistan, the US-NATO forces are getting bogged down without making any significant headway after the additional 30,000 American troop deployment. The civilian casualties are rising causing immense anger among the people. Even President Karzai has come out demanding a cut in US military operations. The recent Wiki leaks exposure of secret US military documents have confirmed that the civilian casualties are much higher than is reported.

Most of the NATO partners have drawn up plans to withdraw their troops within the next two years. The latest proposal of the Obama administration is to withdraw combat forces by end 2014, i.e. after four years. The United States is backing efforts for talks with the Taliban by the Karzai government.

## **National Situation**

The national situation in the last three months has been marked by the turmoil in the Kashmir valley with continuous mass protests; the Allahabad High Court judgement on the Ayodhya dispute and the varying reactions to it; the further evidence of Hindutva links to terrorist activities; massive corruption in the Commonwealth Games preparations; the recurrence of the 2G spectrum affair and other corruption scandals. There has been no respite from the rising prices of food items and the problem of unemployment has assumed serious proportions. The period saw a countrywide campaign in solidarity with the West Bengal CPI(M) and the Left and the highly successful general strike on September 7.

### **Ayodhya Judgment**

A three member bench of the Allahabad High Court gave its judgment on the Ayodhya dispute on September 30. Earlier they were to give the verdict on September 24 but a Supreme Court

bench intervened and decided to hear a petition calling for the postponement of the verdict and efforts for an out of the court settlement. This ill-timed intervention was rectified subsequently by a three-member bench on September 28 which dismissed the petition.

The judgment given on the title deed suits and other issues related to the Babri Masjid-Ramjanmabhoomi issue is:

- a. The majority judgement recognized that the place where the idols were put in 1949 should be treated as site for the Ram temple as "per the faith and belief of the Hindus".
- b. The majority judgement has allotted the Ram chabootra and Sita ki Rasoi to the Nirmohi Akhara who were earlier also in possession of these sites.
- c. The judgement has allotted one-third of the 2.77 acres area to the Muslims on the ground that they were having a joint ownership.

While the operative part of the judgement gives two-third of the plot to the Hindus and one-third to the Muslims, the judgement has based itself on untenable arguments which can be a dangerous precedent. To cite "faith and belief of the Hindus" and then proceed to allot the site where the Babri Masjid stood for the Ram temple, is disregarding the facts and evidence in the title suits and making "faith" the criteria. Secondly, the court had earlier framed the issue of whether there was a temple existing before the mosque and whether it had been destroyed. This is an issue which the court had no basis to decide as it cannot go into matters of history and archeological evidence. In fact the Supreme Court in 1993 had revived the title deed suits in the court while refusing to entertain a Presidential reference on whether a temple existed before at the site of the mosque. The fact that there was a mosque existing for more than four centuries and that it was demolished has been ignored. The minority judgment of a single judge even goes to the extreme of asserting that what existed was not a mosque.

The judgement according primacy to religious belief and faith over and above facts and the record of evidence sets a dangerous precedent for the future. The demolition of the Babri Masjid in December 1992 was a criminal offence and an assault on the secular principle. There are apprehensions that the reasoning set out in the judgement will be taken as an ipso facto justification for the demolition. It has to be expected that when the matter is heard in the Supreme Court, the Court will remedy such premises being used to arrive at a verdict.

The RSS, VHP and the Hindutva forces are pressurizing the Muslim side to give up the one-third land allotted to them in the name of

building a grand temple at the site. The verdict was received calmly without any incidents or outbursts. This is mainly due to the fact that people did not want such an issue to divide people and to create tensions and disrupt peace.

There is widespread disappointment in the Muslim community about the judgement. Various Muslim organizations who were party to the title deed suit have decided to go in appeal to the Supreme Court.

## **Kashmir Situation**

The five-month long mass protest and agitation in the Kashmir valley led to a continuous shut down due to hartals and curfews. Daily life was disrupted and all educational institutions and business enterprises closed. Protests by young people taking to the streets and pelting stones on the security forces were the main form of protests. This escalated after the deaths in police firings. Altogether 199 people died in police firings, most of them young men below 25 years of age. The CPI(M) demanded an end to the police firings to tackle the youth pelting stones. It also demanded the release of young boys jailed for such protests. The Party called for revoking of the Disturbed Areas Act from Srinagar and other cities which would make the Armed Forces Special Powers Act operating in these areas redundant. The Party called for central assistance to revive economic activity and to generate employment for the youth.

The CPI(M) had urged the government to send an all party delegation to the state from the beginning of July itself. Finally, the government sent an all Party delegation to the valley in September after an all party meeting in New Delhi.

The Central Government announced an 8-point plan to address the situation after the report submitted by the all party delegation. This involved the release of some of the stone pelting youth, review of those detained under the Public Safety Act and Rs. 5 lakh compensation to the families of those killed in police firing. The Unified Command was asked to review the positioning of bunkers in Srinagar and review enforcement of the Disturbed Areas Act. It was also stated that a group of interlocutors would be appointed to hold a dialogue with various shades of opinion.

Though these were halting steps in the right direction, they were insufficient. Subsequently the government announced the appointment of three interlocutors. Instead of having a group mainly political in nature, this was a non-political team. This has not been well received in the valley and the separatist leaders have not agreed to talk to them.

After five months the protests have reduced in intensity. What this entire episode shows is the deep alienation from India, particularly of the youth in the valley. There is also the growing influence of the Islamist forces. The groups around the hardline separatist leader Syed Shah Geelani provided the leadership for the movement whereas the moderate separatist leaders were marginalized.

With the drastic reduction in militant activities and violence, the security structure is proving oppressive to the people. We have to continue to exercise pressure on the Central Government to reorganize the security structure and reduce the troop levels in the valley. There has to be a serious attempt at a political dialogue with all sections in the state.

### **Agrarian Policies**

In the agrarian sector, the issue of land being transferred to corporates and for mining has become an acute issue. In many places such as Uttar Pradesh, Haryana, Orissa, Andhra Pradesh and Madhya Pradesh, dispossession of land has led to struggles by farmers and land owners. The Seed Bill now before parliament compromises the right of the peasantry to grow, sow, use and exchange their farm seeds and planting material. As part of the Obama visit, the promotion of agri-business has been included in the joint statement to facilitate the penetration by American MNCs. The US wants India to allow imports of dairy products from the US. This will affect millions who are employed in the dairy sector including the cooperative milk societies.

### **Price Rise & Food Security**

Inflation remained high at 8.5 per cent (wholesale price index) in October 2010. The prices of food items continued to remain high with food inflation at around 13 per cent in October. After the deregulation of petrol prices in June and the increase in the petrol and diesel prices at that time due to the increase in the customs and excise duties on crude oil in the budget, there have been four successive hikes in the retail prices of petrol. From September the price has increased by Rs. 1.48 per litre. This creeping increase in petrol prices is also adding to the inflationary pressure.

The link between speculation through futures trading and the rise in prices of foodgrains has been clearly established in a recent study by the UN Special rapporteur on the right to food. Similarly, experts from 75 countries belonging to the Food and Agricultural Organisation have stated that food price volatility is a major threat to food security. The root cause for price volatility, they have asserted is financialisation of the future markets. This vindicates our stand that futures trading in foodgrains be prohibited. Further,

delivery based forward trading should be enforced in the case of dal and other food items. This will eliminate speculative trade in futures contracts by paying a small amount as margin money.

The UPA government continues to hold over 57 million tonnes of food grain stock much of which is rotting in the godowns. Yet, the government is not willing to release these stocks for the poor as directed by the Supreme Court.

The government is yet to finalise the Food Security legislation. The National Advisory Council's proposals will not cover all those who require food at subsidized rates. It continues with the categories of targeting and dividing the poor. The government is steadfastly refusing to universalize the PDS. We must continue the campaign for food security and universalisation of the PDS.

## **Growing Unemployment**

The recent Employment/Unemployment Survey conducted by the Labour Bureau of the Ministry of Labour and Employment for 2009-10 shows a grim employment situation. The household survey conducted between April to August 2010 reveals that the overall unemployment rate in India is currently 9.4%. 7.3% of the workforce is unemployed in the urban areas and 10.1% in the rural areas. Unemployment among males is 8% while among females it is 14.6%.

These figures refute the claim of the UPA government in its first report on unemployment in July 2010 of having achieved a high rate of jobs growth – around 2 per cent per year. Moreover, the latest NSS report on Employment and Unemployment for 2007-08 (64<sup>th</sup> round) has also shown the dismal record of employment generation under the UPA regime. Between 2005 and 2008, the first three years of UPA-I, the total additional jobs generated in the economy was only 2.4 million, which implies an employment growth of only 0.17% per year. While employment increased by 4.4 million in urban areas between 2005 and 2008, it actually fell by 2 million in rural areas. The person-days of employment in rural areas declined from 93.8 billion in 2005 to 92.9 billion in 2008. This decline would have been far greater had it not been for the NREGS.

## **Disinvestment of PSUs**

The Government sold 10 per cent stake in Coal India. This is the biggest PSU disinvestment in recent times. The rush by foreign investors to buy PSU equities was seen during the Coal India IPO which was over subscribed by over 20 times by institutional investors (over half of the shares are earmarked for them). After the disinvestment in Coal India, the government has now

announced the decision to sell equity in Power Grid Corporation, Manganese Ore Ltd, and Shipping Corporation of India. In its misguided enthusiasm of selling profit making PSUs the government is ignoring the destabilizing potential of large inflows of speculative finance capital into the Indian economy.

### **FDI in Retail Trade**

The Ministry for Commerce and Industry is pushing for the opening up of FDI in multi-brand retail trade. With this retail trade as a whole would be opened up to foreign companies. At present FDI is allowed only in single brand retail. The US is putting a lot of pressure on the government to open up retail trade for its companies like Wal-Mart. A decision on this matter will be taken by the executive and will not have to go to parliament for legislation. That is why it is necessary that we should launch a widespread campaign against opening up of the retail trade to foreign companies. Small traders and shopkeepers are totally against the entry of foreign retail chains. We should be able to mobilize all sections of the traders, shopkeepers and merchants associations to oppose this move.

### **Micro Financing Loot**

The suicide of women members of self-help groups in Andhra Pradesh – over thirty in the course of a few months – has highlighted the exploitative and coercive practices of micro-finance companies. These companies give loans to vulnerable groups at exorbitant rates ranging from 50 to 150 per cent. They then use strong arm methods to get the interest, worse than the old blood sucking money lenders. The extent of the loot is reflected in the increasing profit margins of these companies, set up ostensibly to help the poor. One of the most notorious companies SKS micro finance has reported a 116 per cent increase in profits of over 80 crores. Their operations have been encouraged by a deliberate Government policy of weakening bank linkages to giving loans to self-help groups because they have no priority for social sector loans. Thus even when the Left-led governments of West Bengal, Kerala and Tripura have given a subsidy to ensure that the rate given on bank loans to women's self-help groups is only 4 per cent, the women are unable to get the full benefit of this policy because of the difficulties in getting bank loans in the first place. The Central Government has refused to permit any cap on interest rates. The so-called regulatory Bill introduced in parliament also permits the entry of FDI into this sector. This is totally against the interests of those for whom micro-finance is ostensibly intended. It is necessary to demand a cap on interest rates and strict regulation. The public sector banks must ensure accessible loans to SHGs with interest rates not exceeding 4 per cent.

## **Civil Nuclear Liability Act**

The CPI(M) and the Left had conducted a prolonged campaign on the Civil Nuclear Liability Bill. In the Standing Committee we were able to thwart the attempts by the government to dilute the foreign suppliers' liability which is contained in Clause 17(b). The Congress Party and the government through the Chairman Subbarami Reddy tried to surreptitiously change and undermine the scope of the liability of foreign suppliers by including a word "and" between sub-clause (a) and sub-clause (b). If this had happened then foreign suppliers liability could only be applicable if it is agreed to in the written contract between the operators and the supplier. No American company would have agreed to such a clause in the contract. It was our Party which exposed the subterfuge. The dissenting note submitted by the CPI(M) member on the Committee on this matter exposed the whole issue in the media. After this, the BJP had to take a stand against any change in the sub-clause.

Though the Bill was adopted with other clauses which are not in the interests of the country, on the crucial issue of foreign suppliers' liability, the government had to retain clause 17(b). The United States government and the US business forums are critical of the Act because of the clause on foreign suppliers' liability. They have been putting pressure on the government to remedy the situation. The government has signed the Convention on Supplementary Compensation for Nuclear Damage in response to the US pressure. This is a Convention which does not recognize the liability of foreign suppliers, but it is yet to come into force. We should be vigilant to see that no steps are taken to circumvent or undermine the liability of foreign suppliers provided for in the Act.

## **The Obama Visit**

The visit of US President Obama to India comes four years after the visit of Bush to India in 2006. Obama visited India at a time when the United States is struggling to come out of the recession and high unemployment. The main agenda for Obama was to prise open the Indian markets for the business and commercial interests of the United States and to draw India into a closer security and military relationship. In that sense it was part of the efforts to further strengthen the strategic alliance between the US and India. The joint statement issued at the conclusion of the visit underlined these aims. In the name of promoting food security and raising agricultural productivity what is being pushed is the agenda of opening up Indian agriculture and retail trade for the profiteering of American MNCs like Monsanto and Wal-Mart. This will be detrimental to the interests of the crores of small and marginal farmers and unorganized retailers in India. The joint statement

spells out a close defence and security relationship which will involve also buying US weaponry on a large scale; falling in step with the United States' deceptive and self-serving talk of human rights, democracy and on nuclear non-proliferation.

The US endorsement for India' permanent membership of the Security Council has been hailed by the UPA government and the corporate media. However, this endorsement is hedged with the condition that India has to toe the strategic line of the United States whether it is on Iran or supporting US interventions in the name of human rights or exporting democracy. The joint statement implies that India's two year term in the Council will be a probationary period as far as the United States is concerned.

The commitment to buy weapons from the United States comes after the End Use Agreement was signed in 2009. India will not benefit from such arms purchases. By the agreement we cannot modify the weapons systems nor produce spare parts and will have to allow annual inspections.

The joint statement surprisingly records the fact that India buying weapons from the United States will create employment in America. The forthcoming order for 10 C17 military transport aircraft is worth \$ 5.8 billion.

The UPA government has to explain whether the lifting of restrictions on certain Indian entities comes alongwith new conditions such as the purchase of arms and steps for tying closer the armed forces of the two countries through agreements on the anvil.

The Manmohan Singh government did not press for justice and adequate compensation for the Bhopal Gas victims by asking for Dow Chemicals to pay for the damages. Nor did the government demand that David Headley be made to stand trial for the Mumbai attack given the clear evidence of his role before and after the terror attack.

Obama visited four countries on this Asia trip, India, Indonesia, South Korea and Japan. One of the main themes of the visit was the strategic encirclement of China. In Obama's speech in parliament also he made this clear when he asked India not to look East alone but to engage the East and cooperate with the United States in South-East and East Asia to help contain the growing influence and strength of China. It is with this in view that Obama declared that India was not just an emerging power but has emerged as a world power, and offered support for the permanent membership in the UN, something which is not going to happen in the near future.

## **Hindutva Terrorist Link**

Further evidence and links between Hindutva and terrorism have emerged in the recent period. The chargesheet filed in the Ajmer dargah blast case has named a senior RSS leader Indresh Kumar as having connections with some of the accused, though he has not been named as an accused in the chargesheet. Of the five accused, four have connections with the RSS. Two persons were arrested recently in Gujarat, of which one Harshad Solanki is accused in the Best Bakery riot case and was absconding. The RSS has reacted by simulating outrage at these connections being exposed. It has accused the Central Government of fabricating charges against Hindutva leaders, Hindu "sants" and religious figures. The RSS held a nation-wide protest day on November 10 against these cases being filed. It is now openly defending the Malegaon blast accused like Pragya Thakur after earlier disavowing any connection to them. The arrest of Swami Assemanand, the main conspirator behind these attacks, who is a VHP man, has further exposed the links of the Hindutva extremists to terrorist activity.

As we stated in the political resolution of the extended meeting of the CC at Vijayawada, we have to continue to campaign against this new dimension of Hindutva communalism where extremist Hindutva elements have taken resort to terrorist methods. The campaign against communalism and terrorism should be taken to the people and their interconnection exposed.

## **BJP Government's Crisis in Karnataka**

The Yeddyurappa government in Karnataka has managed to survive the latest crisis by resorting to various illegal methods of purchasing opposition MLAs and trying to neutralize a revolt in its own ranks and among independents by undemocratically disqualifying 16 MLAs before the vote of confidence. It may be recalled that the BJP had formed a government in May 2008 after alluring some independents and opposition MLAs with money since it did not have a majority. Since then this government has been hostage to the Reddy brothers of the Bellary mining mafia. Three ministers have so far been forced to resign on corruption charges.

The government has survived since the High Court has upheld the Speaker's action of disqualifying the 11 dissident BJP MLAs. But the government has got totally discredited with the continuing exposure of corruption and venal behaviour of the ministry. The demand for the resignation of Chief Minister Yedyurappa has to be pursued in the light of the land scandals involving his sons.

## **Massive Corruption**

In the run-up to the Commonwealth Games, reports of blatant and massive corruption appeared in the media. These were soon substantiated by preliminary reports of enquiry by the Central Vigilance Commission. The widespread corruption involving different layers of authorities who were involved in the construction and renovation of stadiums, of building sports infrastructure and the actual equipment for the games has shocked the people. The Congress-led government sought to brazen out these charges by invoking the prestige of the country and pleading that the games should be held smoothly. After the conclusion of the games the government has appointed a committee headed by a retired Comptroller and Auditor General. This committee has no powers. The Congress party has got Suresh Kalmadi the Chairman of the Organising Committee to resign from the post of Secretary of the Parliamentary party. This is just a step to disown responsibility. All those involved whether in the organising committee, the Delhi government or the Central government should be brought to book. What is required are immediate investigations by the CBI and other investigating agencies into all aspects and lodging of cases and prosecution of those involved in wrongdoing.

The exposure of the Adarsh Housing scam in which defence land was handed over to a promoter of a housing society on the plea that flats will be built for Kargil widows and war veterans has blackened the image of the Congress party and the Maharashtra government. The crass irregularities and the circumventing of all laws, the allotment of flats to top retired armed forces personnel, politicians and bureaucrats has exposed the typical nexus which is operating at the highest levels. The Congress party has been compelled to remove the Chief Minister Ashok Chavan but the matter cannot rest there. Other former Chief Ministers, two of whom are in the Union Cabinet, were involved. There has to be a full probe to uncover all those responsible for this scam and criminal prosecution should be launched.

The Yeddyurappa government in Karnataka is also embroiled in a series of corruption scandals. Apart from the loot by the mining mafia through illegal mining there have been a series of land scandals involving ministers including the Chief Minister. The BJP government is showing itself as corrupt as the Congress ones.

## **2G Spectrum Scam**

The CPI(M) has been exposing the corruption involved in the allocation of 2G Spectrum from 2007 onwards. With more and more evidence piling up of the involvement of A Raja, the minister, in the allotment which caused a huge loss to the exchequer, the Congress

party continued to resist demands for the removal of the minister. With the imminent placing of the CAG report on the scam, pressure mounted. The CAG report has estimated that the illegal allocations have led to a loss of Rs. 1.76 lakh crores to the exchequer. With the issue disrupting the parliament after the opening of the winter session, the Manmohan Singh government was finally compelled to get the resignation of Raja. There has to be a Joint Parliamentary Committee to unravel the wide ramifications of this huge corruption scandal. Without prosecuting those guilty the people will have no faith that corruption will be tackled. The companies which made windfall profits by getting the spectrum at dirt cheap rates should be asked to pay the full market value of the spectrum, failing which their licences procured illegally should be cancelled. The fact that the Congress-led government refused to sack Raja as Minister for so long and the Prime Minister refused to order a probe has dented the image of the Manmohan Singh Government.

## **West Bengal**

A notable development in this period has been the mass protests and the resistance of the people against the Maoists in the Jangalmahal area. For the past four months people have been coming out and holding protest demonstrations and rallies against the depredations of the Maoists. There have been big rallies organized in West Midnapore, Bankura and Purulia. The strong popular resistance on the one hand and the operation of the joint forces on the other have forced the Maoist squads to retreat from many areas. They are now confined to certain pockets on the border with Jharkhand and Orissa. However, they continue to target and kill CPI(M) cadres and supporters. The TMC has been conducting violent activities in East Midnapore district against the Party where 52 comrades have been killed. The Congress Party has been indulging in violence in the districts of Murshidabad, Malda and some pockets of Burdwan. The total number of CPI(M) cadres and supporters killed by the TMC-led combine and the Maoists since the last Lok Sabha elections stands at 316 till November 9. The Party and the Left Front have been conducting ceaseless campaign against these attacks and mobilizing the people to resist the terror tactics and assert their rights. The mass organisations have also been conducting campaigns and mobilizations.

The Party conducted an extensive campaign all over the country between September 12 and 18 in solidarity with the CPI(M) and the Left Front and against the violent attacks directed against them.

## **OBC Reservation for Muslim Community**

In the light of the Justice Ranganath Mishra Commission report recommending 10 per cent reservation for Muslim minority, the Left

Front government announced an additional 10 per cent quota for the OBC category in which backward sections from the Muslims would be included. That exercise has been completed and 1.40 crore Muslims have been covered in the extended OBC reservation. Implementation of this is now being done by the distribution of OBC certificates. The initiative taken by the Left Front government of providing 10 per cent reservation to the socially and educationally backward Muslim sections in West Bengal is the first of the kind in the country.

## **Kerala**

The Panchayat and local body elections were held in Kerala in October. The LDF won three out of the five corporations and six out of the fourteen district panchayats. The UDF was able to win a majority of the municipalities, block panchayats and gram panchayats. The LDF polled 42.37 per cent of the votes which is a slight increase from the 41.97 polled during the last Lok Sabha elections in 2009. While there is some recovery in terms of the performance from the Lok Sabha polls, the vote share and the seats won are below expectations.

## **Struggles & Resistance to Neoliberal Policies**

### **September 7 General Strike**

The General Strike called by the central trade unions got a big response from the working class all over the country. Except for the BMS, all other trade unions were party to the call. A significant feature was the participation of the INTUC, which in many states worked for the strike action. The strike call was given on a five point charter of demands. The strike took the form of a complete bandh in West Bengal, Kerala and Tripura. There was also a complete hartal in Assam and Jharkhand. Around ten million workers and employees participated in the strike. The strike was successful in the financial sector, among state government employees, coal mine workers, BSNL, plantation workers and among anganwadi workers. The strike was successful among various unorganised sector workers too. As before, there was no strike in the railways and the major union among the port and dock workers belonging to the HMS did not join the strike.

This was the 13<sup>th</sup> general strike since 1991 when the policies of liberalization were initiated. The united trade union action platform should be continued in order to intensify the struggle of the working class against the neoliberal policies in the coming days.

## **Conclusion**

The adverse impact of the UPA government's policies are being felt by the people. There is no respite from the price rise of food items; the agrarian crisis affects the vast mass of the people; there is growing unemployment and the government seems bent upon destroying existing employment by allowing FDI in retail trade. Crony capitalism and corruption under the neoliberal dispensation is reaching alarming proportions. The Manmohan Singh government has been rocked by the 2G spectrum scam. In the coming days, we have to build wider resistance to these policies.

As directed by the Political Resolution of the Extended meeting of the Central Committee, we have to expand the independent activities of the Party. For this, we have to conduct more political campaigns. We have to take up the class and mass issues and launch movements and struggles of various sections of the people.

In the present situation, the party should take up the following issues as part of its political campaign and to conduct movements and struggles:

1. For a political solution of the Jammu & Kashmir problem
2. Against the communal forces and the terrorist activities of the Muslims and Hindu extremists. Uncover the Hindu extremist network involved in terrorist activities
3. For firm action against those involved in the 2G spectrum scam, the Commonwealth Games corruption, the Adarsh Society scam and the corruption scandals associated with the BJP government in Karnataka
4. Oppose the entry of FDI in retail trade
5. Strengthening the PDS and ensuring Food security. Ensure 35 kg of wheat or rice at Rs. 2 per kg in the Universal Public Distribution System
6. A cap on interest on loans given by the micro finance companies
7. Rights of contract workers; Regularize their service in perennial jobs; Protect Right to form trade unions
8. Statutory minimum wages for workers in MNREGA and introduction of Urban Employment Guarantee Act
9. Implement the Ranganath Mishra Commission Report recommendation on reservation for Muslim minority
10. Stop disinvestment of the profitable public sector units
11. No FDI in higher education; stop encroachment into state powers in education
12. Oppose the Seed Bill which is against the interests of the farmers and in favour of the MNCs and corporates
13. Bring the Women's Reservation Bill in the Lok Sabha for adoption