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Report on Political Developments

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The effects of the global economic crisis have still not been overcome. The sovereign debt crisis in Europe deepened and the future of the Euro is at stake. The debt ceiling controversy has further aggravated the weakening of the economic position of the United States.

As against this economic scenario, the United States and its allies continue with their aggressive bid to retain their political hegemony around the world, particularly in West Asia with its abundant oil reserves. The Nato aggression in Libya is the latest in these manoeuvres. The popular uprising in the Arab world, the protests of the working class and the youth in Europe and the leftward trend in Latin America show the potential of the countercurrents against the present order of imperialist hegemony and neo-liberal dominance.

Global Economy

The global economy is yet to recover from the economic crisis, which started in 2008. The advanced capitalist economies continue to witness sluggish and unstable growth and with unemployment persisting at very high levels. The growth rate in the US has stalled at 1.3 per cent in the second quarter of this year. The rate of growth has slowed in five out of the last six quarters. In Britain, the growth rate has been dismal with the economy registering only 0.2 per cent growth in the second quarter of this year. Year on year the UK economy grew by 0.7 per cent which was the lowest rate of growth since the first quarter of 2010.

The unemployment rate stood at 9.2% in the US in June 2011 and 9.9% in the 17 countries of the Eurozone in May 2011. The earthquake and tsunami that hit Japan in March 2011, besides causing widespread destruction has also led to a contraction of the Japanese economy.

US Debt Ceiling Crisis

The deadlock in the US Congress over raising the debt ceiling of the government took the country to the brink of a debt crisis. The rightwing Republicans who dominate the House of Representatives wanted deep spending cuts and no raising of taxes. President Obama succumbed to the rightwing blackmail and the Democrats struck a deal with the Republicans for spending cuts. The debt ceiling has now been raised only against an equivalent deficit reduction of \$2.4 trillion over the next 10 years, out of which \$900 billion will be cut straightaway from public spending programmes. The Republicans are hell bent on ensuring that taxes on the rich are not raised to narrow the deficit, which would only imply a further \$ 1.5 trillion across the board cuts on public spending in the years to come. Coming at time when the US economy is growing at less than 1% in 2011 and unemployment is over 9%, these spending cuts would weaken the welfare programmes, worsen the economic slowdown and adversely impact the global economy.

The downgrading of the credit rating of the United States by the rating agency Standard and Poor's after the debt ceiling standoff in the Congress will only add to the economic woes. Already there has been a crash in the stock markets around the world after this step was taken.

The sovereign debt crisis afflicting European countries also continues unabated. Governments across Europe have witnessed a marked rise in their indebtedness, owing to falling revenues on account of the economic crisis and in some cases due to the takeover of the debts of failing banks. The IMF and EU have prescribed neoliberal austerity measures as a way out of the debt crisis. The profligacy of the bankers and the bailout for them by the governments has contributed to the debt crisis. The people, especially the working class, are being made to pay the price. These austerity measures – deficit reduction through sharp cuts in public spending, cuts in wages and salaries of government employees, freeze on new employment and raising of retirement age – are being implemented across Europe. While the governments in Greece, Romania, Ireland and Portugal who had to be directly bailed out by the EU-IMF have implemented the most drastic austerity measures, all other European governments (rightwing or centre-right in most cases) like in Spain, Italy, UK, France, Germany etc. are also implementing deep spending cuts. This is aggravating the unemployment scenario and evoking widespread protests by workers as well as students and youth.

Crisis in Greece

Greece is a prime example where the neoliberal austerity measures, far from alleviating the crisis, has led to further slowdown in growth and revenue earnings and increased the indebtedness of the

government. Unemployment in Greece has crossed 16% and the number of unemployed has risen by 40% over 2010. The IMF has extended over 17 billion euros as loans to the Greek government out of the total agreed bailout amount of around 110 billion euros. As per the loan conditionalities, the Greek government has agreed to cut spending by 14 billion euros and raise another 14 billion euros in new taxes, besides an aggressive privatisation programme, which will raise 50 billion euros by 2015 through sale of state assets. The Greek parliament narrowly passed these austerity measures in a vote in June 2011 in the backdrop of massive protests by the trade unions and Leftwing parties.

In many of these countries, the social democratic governments are instituting the austerity measures and refusing to contemplate any alternate policies. The Papandreou government of the Socialist Party of Greece has been in the forefront in adopting the drastic austerity measures. In Spain and Portugal, it is the Socialist Party governments which instituted the austerity measures. In the face of crisis, the social democratic parties are shifting further to the Right. They are faced with mounting popular discontent and protests. In Spain there have been prolonged sit-ins in the public squares of many cities. Tens of thousands of young people have participated in these demonstrations.

The growing unemployment and economic difficulties are giving rise to extreme rightwing forces who whip up feelings against immigrant workers and foster Islamophobia. The horrific incident in Norway in which a rightwing fanatic killed sixtynine young people in a youth camp of the ruling Labour Party and planted a bomb in Oslo is an outcome of such extremist and neo-fascist ideology.

Turmoil in the Arab World

In the March 2011 Central Committee report we had highlighted the historic popular uprisings in Egypt and Tunisia. The popular revolt in Egypt was particularly significant given the crucial role Egypt plays in the Arab world.

In Egypt, the interim military regime is facing popular pressure to act firmly against Mubarak and his coterie and to dismantle the authoritarian set up. The Islamist forces are also mobilizing to fight the elections due later this year. They want the new State set up based on Islamic principles. The change of regime in Egypt has already had a positive impact. The blockade of Gaza has been relaxed from the Egyptian border side with the crossing from the Rafah side being liberalised. The unity talks between the Fateh and Hamas were facilitated by the Egyptian authorities. This has resulted in an agreement between the two rival groups to work together.

The popular revolts against the despotic and authoritarian regimes spread next to Bahrain and Yemen. In Bahrain, the peaceful protests conducted by the Shia majority were suppressed by the King with the intervention of Saudi troops. Bahrain is the headquarters of the Fifth Fleet of the US navy. President Obama and the United States kept quiet about the Saudi intervention and the brutal suppression of the revolt, even while preparing for armed intervention in Libya.

In Yemen, the revolt against the Saleh regime has been going on for over four months which has been propped up by the US and Saudi Arabia. The southern part of Yemen is in a state of revolt against the northern based regime. The army and various tribal groups have got divided. The United States and Saudi Arabia are trying for a transition to ensure their interests are protected in Yemen.

Nato Intervention in Libya

The protests against the Gaddafi regime in Libya provided the pretext for the United States and the Nato to intervene militarily in the country. For the past nearly five months, Nato has been subjecting Tripoli and other centres to aerial bombardment. Thousands of strikes have conducted by warplanes and by ship-based missiles.

The United Nations Security Council adopted resolution 1973 in March which authorized the imposition of a "no fly" zone over Libya and necessary measures to "protect civilian lives". It is using this resolution that Nato launched its massive attack with France and Britain taking the lead. It became clear very soon that the aim was not to protect civilians but to effect a "regime change". The French President, Sarkozy, and the British Prime Minister, Cameron demanded that Gaddafi should give up power and leave the country, a demand echoed by President Obama also.

The aerial bombardment was followed up by supply of weapons and money to the rebels who set up a transitional national council in Benghazi. They have been accorded recognition by the western countries.

After five months of aerial bombardment and attacks on the Libyan armed forces and government installations, the Nato operations have reached a stalemate. Their aim of getting rid of the Gaddafi regime within weeks has failed to materialize. The African Union has steadfastly called for a negotiated settlement and opposed the arming and financing of the rebels. The Nato bombardment has killed many civilians. In a barbaric act, one of the sons of Gaddafi and three of his grandchildren were killed in a missile attack on a house. Yet, the western style of justice is operating. The International Criminal Court has issued warrants against Gaddafi, his son and another official for war crimes. This is the pattern of "humanitarian

intervention", which is being adopted by the US and its Nato allies beginning with their attack on Serbia in 1999.

The United States and Nato have unleashed this aggression in Libya and promoted this civil war in order to achieve two objectives. Firstly, the United States and its allies want to reinforce their hegemony over West Asia where popular uprisings such as in Egypt have threatened to upset the existing order. Secondly, the US and its western allies have sought to hijack the popular movements for democracy by claiming that they are backing the movement against authoritarianism in Libya. Putting in place a pliable regime will bring enormous benefits as Libya is an oil producing country and one of the richest in the region. Already the civil war has led to a virtual partitioning of the country with the eastern part which is oil-rich being in the hands of the rebels.

The Libyan episode reveals a lot about the present correlation of forces at the international level and how UN Security Council continues to be dominated by the US and its allies. The resolution on Libya was adopted with Russia and China abstaining and not blocking the move. Germany, Brazil and India were the other countries abstaining.

The control over the oil reserves was also the main feature which drove the United States to back and support the creation of the new State of Southern Sudan. It is in the southern part of the united Sudan that the oil deposits exist. With the formation of Southern Sudan, the US oil companies have gained a major foothold to exploit these resources.

Syria

Protests against the Bathist party regime under President Assad grew after the developments in Egypt. There have been a number of clashes between the security forces and the protesters resulting in the loss of a number of lives. The Syrian president has promised political reforms and the ushering in of a multi-party system. The United States and France are backing the opposition. They are motivated by the fact that Syria is close to Iran and supports the Hizbollah in Lebanon and the Palestinian cause. Here too western intervention can lead to serious communal and ethnic divisions between the Sunni majority and the minority Alawite and Christian minorities.

Death of Osama in Pakistan

The Al Qaeda chief Osama bin Laden was killed by US special forces in Pakistan's Abbottabad in May 2011. The fact that Bin Laden could live in Pakistan for so many years points to the links between the Pakistani security establishment and some of the extremist groups.

Following his death, the relations between the US and the Pakistani establishment have got strained. Pakistan, incensed by the US operation bypassing them, wants the US to pull out all CIA operatives working in that country. Recently, Pakistan withdrew American and British military trainers from its soil, following which the Obama administration cut \$ 800 million military aid to Pakistan. There are also differences between the US and Pakistan over the conduct of the military operations in Afghanistan and the border areas of Pakistan. This is complicating the US plan to gradually withdraw troops from Afghanistan and arrive at a deal with sections of the Taliban.

The killing of Bin Laden will not result in an end to the extremist violence spawned by fundamentalism. The methods used by the United States to fight the so-called global "war on terror", has only worsened the situation. In the name of fighting the Al Qaeda, the US devastated Afghanistan and Iraq that led to the death of millions of innocents. This provided a fillip to Islamic extremists and terrorists across the globe.

Latin America

The presidential election in Peru has resulted in the victory of the Left-leaning candidate, Ollanta Humala, a former army officer. He has won the elections on a platform of creating jobs and providing basic facilities to the poorer sections. He has also promised to impose a windfall tax on mining profits and to export less natural gas so that people in Peru can get it cheaper. This victory will strengthen the forces in Latin America standing for the defence of national sovereignty and resistance to neo-liberal policies.

Sri Lanka

Though two years have passed since the end of the armed conflict and the elimination of the LTTE, the Sri Lankan government has not taken any worthwhile steps to reach a political settlement on the Tamil question. Though President Rajapakse had promised that after the war a political settlement would be found, there has been no progress made. Some talks were held with the Tamil National Alliance but nothing has materialized. The President is now talking in terms of a parliamentary select committee to go into the question, but this will be a dilatory step. It is essential that a wide-ranging political consultation be held and specific measures taken for the devolution of powers and provision of autonomy to the Tamil-speaking areas of the northern and eastern region.

Alongwith this, the Sri Lankan government should step up the efforts to resettle and rehabilitate all the displaced persons affected by the conflict. The UN Secretary General's panel has found that atrocities on civilians were committed by both the Army and the LTTE during

the last phase of the war. The serious allegations of atrocities and human rights violations by the armed forces should be enquired into by a high-level independent enquiry. The government of India should make all necessary efforts to ensure that a political settlement is arrived at, at the earliest, so that the Tamil minority people can lead a life of dignity and as equal citizens within a united Sri Lanka.

Fukushima Nuclear Disaster

The explosions, meltdown and radiation leak in the Fukushima Daiichi nuclear power plant following the earthquake and tsunami in Japan in March 2011, has made it one of the biggest nuclear disasters in history. Nearly one lakh people have been evacuated from a zone of over 20 kms around the power plant. Nuclear radiation has contaminated drinking water and food items like milk, meat and vegetables across the country. The liability of Tokyo Electric Power, the operator of the Fukushima plant has been fixed at \$ 45 billion (over Rs. 2 lakh crore), beyond which the Japanese government will bear the damages and cost of compensation. Hundreds of workers have to work for decades to clean up the area.

The impact of the Fukushima disaster has been felt around the world. Germany has already announced the phased closure of all of its 17 nuclear power plants by 2022. Switzerland has also decided to phase out all nuclear power plants by 2034. Many more countries across the world are abandoning nuclear power and those already reliant on nuclear power are downscaling their future development plans.

In this backdrop we have demanded an immediate halt to the import of nuclear power plants to Jaitapur, Maharashtra and other locations. The nuclear power plants in India should also undergo a thorough safety review to be conducted by an independent regulatory authority.

National Situation

The three months since the assembly elections in May show the continuing erosion of the image of the UPA government. The chief reason being the incessant exposure of high-level corruption that is plaguing the government. More and more the government is being shown as complicit in the loot of scarce resources by the corporates. The relentless price rise and the callous approach of the government in tackling the increased burdens on the people is the other reason. The recent period has seen growing protests and struggles against land acquisition from the farmers and the transfer of land to corporates and real estate promoters. The interminable delay in dealing with the Telengana issue, the failure to identify and apprehend the perpetrators of the bomb blasts in the last two years

including the recent Mumbai blasts are indicators of the paralysis that has gripped the government.

Corruption: Outcome of Neo-liberalism

The UPA government has become synonymous with high-level corruption. The unfolding of the 2G spectrum case has resulted in the arrest and prosecution of the former Union minister, A Raja, some bureaucrats and Chief executives of some companies. The other DMK minister Dayanidhi Maran was forced to resign. All the efforts to cover up this biggest corruption scandal since independence failed due to the Supreme Court's intervention and supervision of the CBI investigation into the case. The 2G Spectrum case has dramatically exposed the nexus between big business, ruling politicians and bureaucrats, which itself is an outcome of the neo-liberal regime. The role of the Prime Minister while the telecom scam was being enacted has itself come into question.

Another big scandal brewing is the KG basin gas contract given to the Reliance company. The draft report prepared by the CAG has nailed down the connivance between the government agencies and Reliance Industries Ltd leading to huge loss to the government exchequer. Reliance was committed to inflate its "developmental costs" on the gas extraction in the KG basin from \$ 2.47 billion to \$ 8.84 billion. The increased costs claims of developmental cost got reflected in the prices of gas given to the consumer and also affects the prices of fertiliser and power. Despite repeated efforts by the CPI(M) MPs to draw the attention of the Prime Minister to the various wrongdoings, the government had refused to act in the matter. The scale of the Commonwealth Games corruption is yet to be uncovered. So far only the corrupt practices involving the Organising Committee headed by Suresh Kalmadi have been investigated and prosecution begun. The role of the Congress government in Delhi is being exposed by the CAG report.

In the matter of unearthing black money and the illegal money stashed aboard, the Supreme Court censured the government for its non-seriousness in tackling the problem. It has appointed a Special Investigation Team headed by a retired Justice of the Supreme Court in place of the high level committee constituted by the government.

By pursuing neo-liberal policies, the UPA government has acted as a facilitator and handmaiden of the loot of public resources by big business and corporates. The grabbing of scarce resources like minerals, spectrum and land has become part of the process of accumulation of capital under the neo-liberal order. High level corruption stems directly from this economic regime. That is why corruption has become an institutionalized process in the two decades since liberalisation began in 1991.

The loot of natural resources is graphically illustrated by the rampant illegal mining which is taking place. The recent Lokayukta report on illegal mining in Karnataka has documented how largescale iron ore mining is taking place illegally and with the connivance of the state machinery. The BJP government in Karnataka is not only facilitating this loot but also has become a government which has the mining mafia as part of it.

The Congress leadership and the UPA government have been thoroughly exposed in the way they have tackled the question of corruption. When the demand for an effective Lokpal Bill was raised by Anna Hazare and his group claiming to represent "civil society", it found widespread support. The government felt compelled to negotiate with this civil society group even though it was not serious about enacting an effective Lokpal Bill. The final outcome in the form of the government draft of the Bill confirms this. The manner in which the government tackled the agitation on black money by Ramdev, the yoga guru also brought it into disrepute. After sending four ministers to negotiate with him at the airport, later they sent in the police to forcibly clear the crowds sleeping in the Ramlila grounds.

The CPI(M) has spelt out the nature of high level corruption in India and its source emanating from the neo-liberal policies. It has set out what should be the features of the legislation that can constitute an effective Lokpal authority. For curbing high-level corruption it is essential that an effective Lokpal law be passed. Along with that there has to be a mechanism to check corruption in the higher judiciary in the form of a National Judicial Commission. There have to be electoral reforms to curb using money power in elections. Firm measures have to be taken to unearth black money and to bring back illegal money kept in tax havens abroad. The policies which facilitate the transfer of public assets and natural resources cheaply to the big business and corporates should be put an end to.

It is only by adopting these set of measures that the fight against corruption can be successful.

Relentless Inflation

The rate of WPI inflation continues to range between 9 - 10%. The UPA-II government has given up on the inflation front and has nothing to offer apart from meaningless forecasts of prices coming down by the end of the year. It is the wrong policy framework of the government, which is the source of price rise and inflation.

After the assembly elections, there has been an increase of Rs. 5 per litre of petrol followed by increase in prices of diesel, kerosene and cooking gas of Rs. 3, Rs. 2 per litre and Rs. 50 per cylinder

respectively. The successive increase in fuel prices are adding to inflationary pressures. Since the advent of the UPA-II government in May 2009, petrol prices have been increased 15 times and diesel prices 11 times so far. Prices of kerosene and LPG have also been hiked substantially. This has hurt all sections, particularly the poor working people. The latest round of fuel price hike was effected in June 2011.

Deregulation of the prices of petro products has led to this incessant rise in fuel prices. The arguments of under-recoveries by the oil companies and huge fuel subsidy burden borne by the government are specious. The oil companies continue to make substantial profits. The central government's revenue earnings from the oil sector from excise, customs and other duties and taxes are far more than what is spent through fuel subsidies.

Despite repeated demands the central government has stubbornly refused to lower excise duties on petro products and initiate a thorough restructuring of the indirect tax regime on petro-products in an era of high oil prices. We must continue to build up a strong movement against price rise including the rise in fuel prices in order to pressurize the government against further price hikes.

Food Security Bill

The Government has finalized the Food Security Bill. It has rejected the demand for a universal public distribution system and continued the targeted system with only a change in the nomenclature of BPL and APL. The Bill legalizes the present objectionable linkages between the Planning Commission's poverty estimates with the Statewise caps on those who may be officially recognized as poor. This is capped at 46 per cent of the population in rural areas and 28 per cent in urban areas. Thus a vast section of the poor will continue to be excluded. At present the national average of those benefiting from BPL schemes through State Government subsidies is over 56 per cent. Secondly the price of rice, which is two rupees in many States, has been kept at three rupees. Thirdly the BPL allocation amount is 7 kg per individual while for APL it will be only 3 kg. The number of APL card holders may also be cut since 25 per cent of the rural population and 50 per cent of the urban population are to be excluded by law. APL sections have been discriminated against also on the question of prices, as the price of APL rice will not be a fixed price but 50 per cent of the minimum support price for foodgrains. Thus the seeds of a conflict of interest have been sown between the farmer and the consumer.

In a most objectionable move, the Bill makes it mandatory for State Governments to accept a central scheme for introduction of cash transfers instead of foodgrains. This will adversely impact on food

security and also impact on procurement and on protection for farmers.

The Bill includes the mid day meal scheme schools and anganwadis as a legal right which is welcome. However all the new schemes introduced such as additional provisions for community kitchens, for migrant workers etc. within the ambit of the law will have to be paid for by the State Governments. Apart from being a questionable encroachment on the rights of States, given the shortage of resources in most States, this would jeopardise the implementation of these provisions. The Bill smuggles in the UID scheme in the law. As is known the margin of error in biometric verification particularly in the case of fingerprints of manual labourers is high. We oppose linking welfare benefits to UID as it adds a further condition for exclusion.

The Bill must ensure a minimum of 35 kg of rice/wheat at two rupees a kilo through a universal system of public distribution. The cash for foodgrains scheme should be scrapped. The Party will fight for these demands outside and inside parliament.

BPL Census

The BPL census 2011, the design of which was supposed to be an improvement over the last census, has introduced new categories, which would result in the undercounting of the poor. There are three categories unlike the single ranking category of the last census. However while the automatic exclusion category is too broad with 13 sub-categories, the automatic inclusion category with 5 sub-categories is too narrow. Automatic exclusion categories can be useful if they help to precisely identify a category such as income tax payers or regular government employees provided that the rest are included in a near universal system. However in this census design most farming families even though they may suffer debt and loss of crops would be automatically excluded.

On the other hand, the automatic inclusion does not include even those categories directed to be included by the Supreme Court such as the disabled, widows, scheduled caste and scheduled tribes. On the contrary the 7 point ranking system has questions designed in such a way as to exclude vast sections of the poor. The ranking system also means the continuance of the utterly arbitrary cut-off marks system linked, as in the Food Security Bill to the estimates of the Planning Commission.

We have to demand changes in the BPL census questionnaire. For example categories such as disabled persons, widows and social categories like SC/ST, agricultural workers, MGREGA workers, families working in traditional industries, fisherfamilies should be included in the automatic inclusion category.

Taken together the Food Security Bill and the BPL census design underline the neo-liberal policy thrust of the Government to use the instrument of targeting to deny the mass of people in this country their legitimate entitlements.

Jobless Growth

The recently released data of the NSS 66th round has confirmed the trend of jobless growth in the country. Soon after its release the Planning Commission officials have started questioning the data and methodology of the NSS. This is dubious since the NSS provides the only credible estimate of the employment situation in India.

The NSS data shows a dramatic deceleration in total employment growth, from an annual rate of around 2.7% during 2000-2005 to only 0.8% during 2005-2010. Annual GDP had grown at above 8% on average during the latter period. This slowdown in employment generation is evident across both rural and urban areas, though it was especially marked in rural India. Growth in non-agricultural employment fell from 4.65% to 2.53%. The fact that employment growth slowed down despite the operation of the NREGA shows the extent of the jobs crisis. The NSS survey further revealed that among all the workers at the national level, about 51% were 'self-employed', about 33.5% were 'casual labour' and 15.6% were 'regular wage/salaried' employee. Casual employment has grown significantly.

FDI in Retail

The UPA-II government is moving to allow FDI in retail. A committee of secretaries has recently cleared the proposal to allow 51% foreign equity in multi brand retail and allow MNCs like Wal-Mart, Carrefour etc. to open outlets in Indian cities. This has come following the recommendation of the Kaushik Basu panel, which recommended FDI in retail as a measure to curb inflation. Nothing can be more outlandish than to suggest that the entry of giant foreign monopolies is going to bring down retail prices. What would happen instead is the wiping out of millions of small retailers. In the backdrop of jobless growth this would have a very adverse impact on peoples' livelihoods.

The CPI (M) and the Left parties have consistently opposed the entry of FDI in retail trade and the move was successfully resisted during the previous government's tenure. With the government reviving the agenda, resistance has to be built up with the trade unions and traders organisations opposed to the move.

Other Neoliberal Initiatives

The government is planning to bring several legislations to further its neoliberal agenda and open up various sectors for foreign capital. The bill to allow foreign universities to open their shops in India is high on the agenda. The bills to increase FDI limit in the insurance sector, deregulation of the banking sector and the pension reforms bill are also pending in parliament. All these legislations were blocked by the Left during the UPA-I government's tenure. The party will oppose these legislations if they are pushed by the government.

Land Acquisition Bill

Protests against land acquisition continue to take place in various parts of the country, the latest being in Uttar Pradesh. Two persons died and many more were injured in police firing in the Bhatta Parsaul villages near Noida, where farmers were agitating against inadequate compensation being paid to acquire their lands. Recently, the Allahabad High court has also quashed the acquisition of farmland in Greater Noida which has been upheld by the Supreme Court. The agitation against land acquisition for the Posco project in Orissa is continuing.

The party has been demanding that the antiquated land acquisition act be replaced by a comprehensive legislation to address land acquisition and rehabilitation.

Mining: Injustice to Tribals

One of the reasons for the deliberate slowdown in the implementation of the Forests Tribal Rights Act is the encouragement being given to projects sanctioned by the Central Government for mining of minerals in Fifth Schedule and tribal dominated areas in violation of the law. The appropriation of the natural resources by big corporates is one of the chief instruments to make huge profits. It has also led to the biggest corruption scandals from the Madhu Koda scandals in Jharkhand to the Bellary scandals in Karnataka.

The handover of mineral resources to corporates is also in contravention of the Samatha judgement of the Supreme Court which mandated a stake in the mineral wealth for tribal communities. The GOM set up on the issue of rights of tribal communities has come up with a most unjust proposal. In areas where mineral wealth is being extracted the companies will have to pay only the equivalent of the royalty paid which will be used for the development of the tribal communities in the area. As is known the royalty rates fixed by the Central Government for iron ore, bauxite, limestone etc are a mere pittance while companies are making huge profits. Leave alone implementing the Samatha judgement proposals, the GOM has protected the interests of mining lobbies by not even proposing a

share in the profits. This proposal is unacceptable. Moreover it could provide the gateway for further liberalizing grant of leases in tribal areas in the name of development.

The loot of mineral resources under the liberalized regime can be stopped only when this sector is nationalized. There has to be restrictions on the indiscriminate export of minerals and emphasis on value addition domestically of the mineral resources.

Terrorist Violence

The three bomb blasts in Mumbai city in July has killed 27 people and injured many others. These blasts seem to have been perpetrated by the same elements who were responsible for the bomb blast in the German Bakery, Pune last year. It is a matter of concern that those responsible for the various terrorist attacks in the past two years in Varanasi, Pune and the failed blast in Delhi along with the latest Mumbai blasts have not been identified or apprehended. This shows the continuing failure of the intelligence set up and the lack of coordination among various security agencies. The setting up of the National Intelligence Agency after the November 2009 Mumbai attacks has not shown the desired results.

The other dimension of terrorist violence which has emerged in the past two years i.e. involvement of extremist Hindutva terror groups has got further confirmed with the chargesheeting of the accused in the Samjhuta train blast. The CBI has charged Aseemanand and the others who were involved in the bomb blasts in Ajmer Sharief and the Mecca Masjid in Hyderabad in this case too. But despite these persons being prosecuted, the Muslim youths who were arrested earlier in such cases are all yet to be released. The link between the extremist ideology, communalism and terrorism should be campaigned among people to isolate the communal ideologies and their organisations.

Attacks on Women

The spate of crimes against women noted in the March CC report continues. Rapes of women, especially minor girls, has increased all over the country. The Government shows no urgency to enact the laws like the Child Protection Act or the Sexual Assault Act. In spite of the continuance of honour killings, the Central Government is not willing to tackle the problem by saying it is the responsibility of the states to deal with it as it is a law and order issue and has refused to enact a law against such heinous killings.

Foreign Policy

The US Secretary of State Hillary Clinton visited India for the second India-US strategic dialogue. The joint statement issued after the

talks underlines how closely India is aligned with the United States. At the level of defence cooperation, India has brought over Rs. 40,000 crores of arms and equipment from US companies in the last decade. The thrust of the United States is for increased business for its arms companies. The joint statement reveals that the United States has succeeded in getting India to join the trilateral dialogue between the United States, Japan and India at a senior official level. This has been a strategic objective of the United States to have India and Japan as the two pillars of its Asian strategic alliance. The United States still talks of fulfilling the civilian nuclear cooperation while ensuring that India will not get access to sensitive nuclear technology as per the latest guidelines adopted by the Nuclear Suppliers Group.

The United States is mounting pressure on India to dilute the Civil Nuclear Liability law adopted by parliament so that US companies will not be liable for any damages for the reactors supplied by them. Though nearly one year has passed since the Act was adopted in Parliament, it has not yet been notified, nor the rules framed under the Act.

An outcome of the Indo-US alliance and nuclear deal has been the pressure mounted on India to line up with the efforts to isolate and sanction Iran. After the scuttling of the Iran-Pakistan-India pipeline project, the latest instance has been the enforcement of sanctions which prevents India making payments for the crude oil it imports from Iran. India imports 12 per cent of its crude oil requirements from Iran but in the past seven months it has not been able to make payments to Iran since the US and the EU have prohibited banking transactions for oil trade with Iran. The vital oil imports from Iran are jeopardised because India is not willing to stand up to US pressure in this regard.

The Nuclear Suppliers Group has amended the guidelines regarding the transfer of sensitive nuclear technology at its June meeting. The NSG has prohibited the sale of enrichment and reprocessing technology to non-NPT signatory countries which includes India. These guidelines will prevail over the waiver given to India after the Indo-US nuclear deal. That these guidelines are being prepared was known at the time of the nuclear deal being signed, yet the Prime Minister assured the country that India would have access to technology for the full nuclear fuel cycle. With these restrictions India can only import nuclear reactors and fuel which will serve the commercial and business interests of the US and France but it will not be able to access latest nuclear technology. The one-sided nature of the nuclear deal has to be exposed.

India-Pakistan Talks

The foreign ministers of India and Pakistan met in New Delhi in July. These talks were part of the resumption of the India-Pakistan

dialogue. In this meeting certain confidence building measures were decided upon. More trading links are to be established across the Line of Control. After the Mumbai blasts there were demands that talks with Pakistan be stopped. Our Party is for continuing the dialogue with Pakistan so that all the outstanding issues can be resolved between the two countries. While doing so, India should continue to exercise pressure on Pakistan to take firm action against the extremist outfits which are based there.

Telengana Agitation

Though seven months have passed since the submission of the Sri Krishna Committee report on Telengana and Andhra Pradesh, the Central Government has not taken any decision on the matter. The agitation for a separate Telengana was revived in June. The MLAs belonging to the TRS, Congress, TDP, BJP and CPI submitted their resignations to the Speaker. These were however not accepted by the Speaker. MPs of the Congress and the TDP from the Telengana region have also submitted their resignations.

The Central government should not delay taking a decision in the matter as more and more polarization and divisions among the people will develop.

West Bengal Situation

Though two and half months have lapsed since the election results, the attacks on the CPI(M) and the Left Front are continuing. So far 29 members and supporters of the CPI(M) and the Left have been killed, hundreds of Party offices have been attacked or occupied. Panchayat members and their elected representatives are being intimidated and prevented from doing their work. There are still thousands of people who have left their homes and have not been able to return.

The class nature of the new regime is becoming evident with attacks on the rights of bargadars, pattadars and agricultural workers in many places. The Trinamul Congress and in some places the Congress party are continuing with their drive to eliminate the organisational basis of the Party and the mass organisations. The campaign to stop this violence and to protect democratic rights is going on.

The TMC-Congress government has signed an agreement with the GJM in Darjeeling. The Left Front government had earlier been in the tripartite talks offering the formation of an autonomous elected council with more powers within the state of West Bengal. This council was to be within the territory of the present Darjeeling Gorkha Hill Council.

However, the new agreement has opened up the issue of the territorial jurisdiction of the Gorkha Council. A committee is to be set up to examine whether any areas in the Terai and Dooars should be included in the new body. Our Party opposes the inclusion of the areas outside the Hill Council as this would be not in consonance with the wishes of the people of the Terai and Dooar areas. The GJM has announced that this agreement is only an interim step and they are still committed to fight for a separate state of Gorkhaland. The TMC government is claiming success through the agreement without the basic issue being resolved.

After the close collaboration with the Maoists to attack the Left Front government, Chief Minister Mamata Banerjee is now trying to arrive at a settlement with the Maoists. She has announced that political prisoners would be released in which two top Maoists are included. At the same time she has talked about raising a volunteer force in the Jangalmahal area. The joint operations were stopped after the elections. Utilising this lull, the Maoists have moved back into the Jangalmahal area from which they had been driven out. They have responded to Mamata Banerjee's call for talks by demanding the release of their top leaders. The approach adopted by the TMC government will enable the Maoists to once again reestablish and threaten the people. The policies adopted by the Mamata Banerjee government can threaten the integrity of the state of West Bengal and also heighten the Maoist threat to peace and normalcy in the region.

Tripura : Fomenting Trouble

The Congress party has taken to creating disturbances and fomenting trouble to disturb peace in its tactics to target the Left Front government. The agitation it conducted on the admissions to a medical college run by a society has no basis, given the fact that the process was done as per the Supreme Court's order. Yet, the attacks on a police station in Agartala by a Congress procession and the clash that took place led to the death of an innocent trader.

After the West Bengal assembly elections, the Congress has threatened to destabilize the Left Front government and is resorting to such undemocratic and disruptive measures.

Political Situation

The image of the Congress Party has been tarnished by high-level corruption. The failure to curb price rise has also cost it a lot. The disenchantment with the Congress is particularly seen among the urban middle class. The Congress is faced with a serious problem in Andhra Pradesh. The formation of a separate party by Jaganmohan Reddy has eroded its organisational base in the coastal and Rayalseema areas. It has so far failed to stem the shift away from its

ranks. In Maharashtra, strains have developed with the NCP which are basically about control of turf and resources.

At present, the Congress is giving priority to the assembly elections in UP. It wants to repeat its performance of the Lok Sabha elections when it did well getting 21 seats. However, so far the Congress has been unable to strengthen its organisational base despite Rahul Gandhi's efforts to take up issues like land acquisition. In Punjab where the elections are due in February 2012, the Congress is better placed. The Akali-BJP governments record of misrule and corruption may benefit it. The formation of a new party by Manpreet Badal, the former finance minister, may dent the Akali base to some extent.

The BJP did not fare well in the Assam assembly elections where it hoped to improve its position. In the bye-elections in MP it has been able to consolidate and snatch seats away from the Congress. The efforts of the BJP to cash in on the popular discontent against the Congress on corruption has not really paid off mainly due to its own record in Karnataka. The notoriously corrupt Yeddyurappa government in Karnataka has been an embarrassing reminder that the BJP is in no way different from the Congress as far as corruption is concerned. Similarly, there is no difference in economic policies of the two parties. This was seen by how the two parties agreed to a common resolution on price rise to be voted upon in the Lok Sabha.

The BJP has still not been able to restore its cohesiveness in leadership and the organisation. The recent revolt by Gopinath Munde, its main leader in Maharashtra, saw the BJP scrambling to prevent a split in the party. The BJP has not been able to win any new allies to the NDA. Only three parties – the Akalis, the Shiv Sena and the JD(U) remain with the NDA.

In such a political situation, there should have been the possibility for the non-Congress non-BJP parties to advance. But here too, the situation is complicated. In some states, regional parties like the AIADMK and the BJD are well established. But some of the regional parties have weakened. Some of these parties like the SP and the RJD are trying to maintain relations with the Congress. The capacity of the CPI(M) and the Left parties to intervene has been weakened after the electoral losses.

In such a situation, as set out in the tactical line adopted at the Vijayawada Extended meeting of the Central Committee, we should stress the independent role and activities of the Party. It is necessary to expand the Party's influence and base. We should also develop and project the Left platform and unity. On issues we can cooperate with the non-Congress secular parties inside parliament and have united actions with them outside on people's issues.

Future Programmes

The Party should take up the major problems which have come up in the recent period – high level corruption, price rise and land grab by corporates.

We have to conduct movements and struggles on the issues of food (PDS), employment, rights of tribal people and the fight against social oppression.

The Party should take up the working class issues and lead or extend its support to the various struggles of the working class.

The Party and the Left should conduct a movement for an effective Lokpal Act and other anti-corruption measures. The Left parties will conduct a demonstration outside Parliament on September 2 demanding a strong Lokpal Bill and other measures to curb corruption.

We should campaign for an effective Food Security law which includes a universal public distribution system.

We should continue the campaign to stop the violence against the CPI(M) and the Left in West Bengal. On August 25, there will be a protest dharna by the Left Front of West Bengal in Delhi and protest actions in all state capitals.

The Party should mobilize the people to oppose the FDI in retail and the legislation to curtail pension benefits.