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Report on Current Developments

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INTERNATIONAL

Introduction

During the three-month period since the last meeting of the Central Committee in March 2006, the international developments have reinforced the features of resistance to US hegemony and the characteristics of a multi-polar world order. The attempts by the United States to establish its global hegemony have come under increasing resistance from various parts of the world. The victory of Evo Morales in Bolivia, the defeat of the Berlusconi government in Italy, the victory of the Nepalese people's fight against autocracy and the success of the Left in India in the assembly elections are all such indicators. Russia's emergence as an energetic player on the international scene, China's rapid advancement as a major power, further cementing of the strategic partnership between Russia and China, continuing shift toward Left politics in the Latin American continent, and sharp erosions in the standing and influence of the United States in the strategically vital Middle East region may be singled out for reference in this connection.

The noteworthy developments in the South Asian region have been the massive popular upsurge in Nepal and a sharp deterioration in the security climate in Sri Lanka. In terms of the medium and long term impact on South Asian security, the decision by the North Atlantic Treaty Organisation to establish an open-ended military presence in Afghanistan under the garb of the U.S-led "war on terror" must be noted.

U.S. Hegemony Being Challenged

Despite an unprecedented level of military spending to the tune of US\$ 500 billion (Rupees 225000 crores) annually, a staggering expenditure level of militarisation never before witnessed in human history, the U.S. attempts to establish its dominance in international affairs have come under stiff resistance.

Iraqi Resistance

A theatre where this is clearly visible is Iraq. Indeed, in the U.S. domestic opinion itself, almost two thirds of the American public hold the view that the war in Iraq is not going well for the Bush administration and that the American troops must be withdrawn at an early date. Consequently, the

popularity rating of George W. Bush in American public opinion has plunged to an abysmally low level of below 30%.

Within Iraq itself, the past three months have vividly shown that American influence stands severely contested. Thus, despite vigorous back stage attempts at manipulating the election to the Iraqi parliament, the Iraqi people overwhelmingly rejected candidates who were overtly identifiable with the American occupation. This in turn led to an impasse in the American game plan to install in Baghdad a totally subservient Iraqi government. The U.S. could not succeed for five months after the elections to get a new Iraqi government installed in office. After protracted wrangling, an Iraqi cabinet was finally formed on May 20.

Meanwhile, the security situation in Iraq has sharply deteriorated. The Iraqi people's resistance to American military occupation has further gathered strength. Upto May 18, 2006, 2455 US soldiers were killed. In April alone 76 soldiers died in attacks. Despite American propaganda, it is widely recognised that the Iraqi resistance is primarily indigenous, and the presence of foreigners remains a marginal phenomenon.

The growing resistance has also brought to the fore the complete failure of the American strategy of training and equipping Iraqi security forces that would be capable of shouldering the burden of maintaining law and order. Ironically, the sectarian divides in the Iraqi society that the US encouraged as a core element of its strategy of 'divide and rule' have come to haunt the Iraqi security forces. A unified Iraqi national army or police force no longer seems feasible so long as Iraq remains under American occupation.

The acute security situation that was previously confined to the predominantly Sunni provinces of central Iraq has now spread to the southern Shia region, especially the port city of Basra, and the northern provinces adjoining the autonomous region of Kurdistan.

Meanwhile, scores of people are getting killed every day in Iraq in a civil war situation even as the country descends into complete anarchy. After the bombing of the Aksari mosque in Samarra, sectarian killings flared up. 1300 Sunnis were killed in retaliation. Heavily armed militia groups fighting for supremacy have let loose a reign of terror all over Iraq. The sectarian divisions that exist within the U.S-trained and equipped Iraqi security forces are crippling the Iraqi administration's capability to arrest the violence. In one particularly glaring incident in early May, the Kurdish and Shi'ite members of the Iraqi security openly clashed in Baghdad city in the presence of American forces.

U.S. imperialism bears full responsibility for the sectarian strife that is tearing the Iraqi people apart. From the time of the invasion of Iraq in 2003, the U.S. occupation forces encouraged Kurdish separatist militia and Shi'ite religious groups to collaborate in waging a bloody campaign of vengeance against Sunni members of former President Saddam Hussein's Baath Party.

The trend of debate among influential circles in the U.S, especially among the so-called “neo-conservative” pro-Israeli circles, increasingly acknowledges that a division of Iraq on sectarian lines is on the cards. The U.S. estimates that a division of Iraq on sectarian lines suits its larger geopolitical objectives in the Middle East as a weakening of Iraq debilitates Arab nationalism on the whole and, in turn, strengthens Israel’s regional dominance.

At the same time, the U.S. is facing growing isolation internationally over the Iraq war. By the end of 2006, all foreign forces other than American and British contingents are expected to be withdrawn from Iraq. Italy was the latest country to announce an early pullout of its 3000-strong military contingent in Iraq. The incoming Italian Prime Minister said on May 18 that the military invasion of Iraq in 2003 was a “grave mistake”.

The fall-out of the Iraq situation, especially the Shia-Sunni sectarian strife fostered by the U.S. with deliberate planning, is having a wider regional impact on the Middle East. The U.S. also has to contend with the huge regional influence of Iran resulting from the latter’s profile as the leading Shia country in the Gulf and the Middle East.

Interestingly, a new survey by the prestigious Pew Research Centre assessed in May that more than 70% of the world opinion believed that a rival superpower must counter the U.S. in the interests of peace and global stability. The survey found anti-American sentiments at its highest level ever all over the world.

Next Target: Iran

The U.S. posturing toward Iran has consequently become more belligerent. The indications are that like in the case of Iraq 3 years ago, the U.S. is calibrating a diplomatic strategy whereby the Iran nuclear issue has been surreptitiously taken out of the ambit of the IAEA and brought to the agenda of the United Nations Security Council with a view to incrementally imposing UN sanctions against Iran leading to use of force under Article 7 of the UN Charter.

But the firm position adopted by Russia and China to the effect that the Iran nuclear issue could still be resolved through diplomatic negotiations has so far frustrated the U.S. game plan. Washington has, therefore, lately begun to threaten that it might bypass the UN altogether and resort to unilateral action against Iran. Orchestrated press leaks by the U.S. administration continue to give the impression that Washington may resort to a military strike against Iran.

A particularly detailed account in April by Seymour Hersh, the influential American journalist who enjoys access to the U.S. establishment revealed that the Bush administration is considering the use of tactical nuclear weapons in any military strike against Iran.

But what has deterred the Bush administration so far has been the ground reality that Iran has the capability to retaliate. Iran, in fact, has made it clear that it will retaliate not only against the U.S. but also Israel. Moreover, Washington has to reckon with other factors such as the fact that the U.S. military is already overstretched in Iraq and Afghanistan; that the volatile oil market may spin out of control; that the opinion in the Muslim world would rise up in indignation and anger, and in the process many pro-American Arab regimes may get overthrown; and, that international support as such for a military strike against Iran is virtually non-existent.

The fact remains that Iran is not at present in violation of any provisions of the Nuclear Non-Proliferation Treaty (NPT). Even with regard to Iran's uranium enrichment, Iran is only undertaking activities that are permissible under the NPT regime. Thus, any punitive moves against Iran will lack the legitimacy of international law. Indeed, Iran has threatened that any imposition of sanctions or any use of force against it will prompt Tehran to quit the NPT altogether.

At the same time, Iran has repeatedly stressed its willingness to negotiate. In an extraordinary gesture in early May, Iranian President Mahmoud Ahmedinejad wrote to Bush. This is the first time in the past 27 years following the Islamic revolution in 1979 that an Iranian leader has directly addressed his American counterpart. It is the failure to get China and Russia on board for a positive resolution on the Security Council and the unwillingness of its European allies to opt for military action that has compelled the Bush administration to announce that it is ready to join talks with Iran, if it suspends uranium enrichment. This step is also being taken to show that Iran is unreasonable if it refuses to give up enrichment, so that the US and Britain can then press for sanctions and other punitive measures. But the very fact that Bush had to end the 27 year refusal to negotiate with Iran, is itself an acknowledgement that Iran cannot be dealt with summarily as it wished to.

Palestinian Struggle

Meanwhile, another major development in the Middle East region has been the victory of Hamas in the elections to the Palestinian parliament. The Hamas won 76 seats.

Hamas's victory has thoroughly exposed the hypocrisy of the U.S.'s "democracy project" in the Middle East. Despite the fact that Hamas won a genuine democratic mandate, the U.S. and Israel still cling on to their propagandistic labelling of the Palestinian liberation movement as a "terrorist" outfit. In comparison, the U.S. is having no qualms about its continued support of authoritarian Arab regimes in the region, apprehending that a truly democratic alternative to these pro-American regimes through free and fair elections might well be "disagreeable" political forces or alignments similar to Hamas.

The U.S. and Israel are coordinating efforts to overthrow the newly elected Hamas government. Their tactic is to collectively punish the Palestinian people and thereby discredit the Hamas government as “ineffectual” so as to erode its popular support. The U.S. has supported Israel’s move to withhold more than US\$ 50 million in monthly tax and customs revenue that should have belonged to the Palestinian Authority headed by Hamas. The U.S. and Israel are also coordinating an international funding freeze vis-à-vis the Hamas-led government.

The result is that a humanitarian crisis of unprecedented proportions has arisen in Gaza and West Bank. A complete economic collapse is facing the already impoverished Occupied Territories. Social infrastructure has been damaged; schools and hospitals face closure; sanitation and sewerage systems have broken down; salaries of public workers are unpaid. In 2005, foreign funding had amounted to US\$ 1.3 billion out of the Palestinian Authority’s total budget of US\$ 1.9 billion. The criticality of foreign assistance is self-evident. Almost all of this money has now been withdrawn. Countries still providing aid include Saudi Arabia (US\$92 million), Iran (US\$ 50 million), Qatar (US\$ 50 million) and Russia (US\$ 10 million).

To compound the crisis, Israel is carrying out a sustained military offensive against the Palestinian people. In the six weeks since March 31 alone, Israeli army fired more than 5100 artillery shells into Gaza. Israel also continues to assassinate Palestinian political activists.

Russian-American Relations

The past 3-month period saw a visible aggravation of the climate of relations between the U.S. and Russia. A chill has descended on the Russian-American relations that has prompted several Western analysts to draw comparison with the Cold war tensions. Several factors have contributed to this. The underlying reality is that the U.S. is profoundly upset over Russia’s resurgence as an influential and energetic power on the international scene (thanks in large measure to its clout as a major energy exporting country). The U.S. apprehends that the West’s growing dependence on Russia as a source of energy would inevitably lead to closer ties between Russia and major European powers, and this, in turn is bound to cumulatively impact on the future cohesion of the Euro-Atlantic Alliance and Washington’s leadership of its unwieldy flock, which is already pulling in different directions in the absence of any Cold war-era “enemy”.

Also, the U.S. is watching with disquiet the close strategic partnership developing between Russia and China, with the two countries increasingly holding similar or identical views on major international issues. On issues such as North Korea, Iran or Hamas, Washington has taken note that Moscow and Beijing are openly coordinating their stances of late. Russia-China cooperation in the field of energy is particularly worrisome for the U.S. in so far as by accessing Russian supply sources bypassing the transit zone of Strait

of Malacca (which is under control of the U.S. Navy), China would be becoming far less vulnerable to U.S. pressure tactics.

At the same time, the U.S. realises that Russia's economic clout stemming from its massive income out of energy exports (thanks to the high oil prices), is making Moscow more and more impervious to American pressure. Russia has made an extraordinary offer in May to pay back its entire remaining Soviet era debt of US\$ 29 billion to the Paris Club within this year itself. Furthermore, in political terms, Russia has begun systematically countering the expansion of U.S. influence in the territories of the former Soviet republics. Consequently, in the recent weeks, there has been a sharp acceleration of the race for control of the Caspian oil reserves and their evacuation routes.

Energy security has indeed emerged as a core issue of contention between the U.S. and Russia. The U.S. is determined to deny Russia the prestige, economic muscle and influence accruing by virtue of potentially becoming the 21st century's energy superpower.

Naturally enough, the rivalries for gaining geopolitical influence in the Central Asian region have also become accentuated in the recent months. The U.S. perceives that within the framework of the Shanghai Cooperation Organisation (SCO), China and Russia are closely working together in countering the expansion of the U.S.-led North Atlantic Treaty Organisation (NATO) into the Eurasian political space. The U.S. has begun to take note of the SCO's growing effectiveness as a regional security organisation, and is viewing China to be the main driving force behind its impressive performance.

Fundamental to all these different vectors of conflict of interests between the U.S. on the one hand and Russia and China on the other is the palpable reality that Washington's attempts to establish its global hegemony are constantly being frustrated.

Shanghai Cooperation Organisation

The 5th anniversary of the establishment of the Shanghai Cooperation Organisation (SCO) falls on June 15. A summit meeting of the SCO member countries – China, Russia, Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan – is scheduled to be held in Shanghai on the occasion. The countries that have observer status in the SCO – Mongolia, India, Pakistan and Iran – have also been invited to attend the summit meeting.

From a modest beginning in 1996 as a regional process aimed at settling the outstanding border issues between China, Russia and the Central Asian states, the so-called "Shanghai Initiative" developed into a full-fledged regional body by 2001. The SCO has rapidly grown since then into a regional security organisation that is involved in virtually all aspects of the security and stability of the Central Asian region.

The forthcoming SCO summit meeting in Shanghai is expected to give further fillip to regional cooperation especially in the economic field, including energy and transportation. The SCO member countries have also decided to hold joint military exercises though the organisation has denied any intention to form a military bloc. The U.S. is viewing SCO with growing disquiet both as a forum where Sino-Russian strategic cooperation assumes even broader dimensions and as a possible counterweight to the North Atlantic Treaty Organisation (NATO), which aspires to be the sole security body capable of global reach including in the Central Asian region.

The geopolitical reality is that the SCO is coming in the way of further expansion of American influence in the territories of the former Soviet Union. In fact, the last summit meeting of the SCO held in Almaty in June 2005 had demanded a timeline for the withdrawal of all American troops from the Central Asian region.

SCO has also begun, albeit tentatively, to give thought to further expansion of its membership. Iran and Pakistan have sought full membership of SCO. Also, Belarus has sought observer status within SCO. If SCO decides to accede to these requests, its "borders" would touch South Asia, Gulf region and Central Europe. Such a development would pose a major strategic challenge to the Euro-Atlantic alliance under American leadership.

Russia-China Relations

The visit of Russian President Vladimir Putin to China on March 20-21 signified a qualitatively new level of mutual trust in the rapidly advancing strategic partnership between the two countries.

During the visit, the two countries repeatedly stressed that their strategic partnership was both in their long-term interests and also would constitute a positive factor in the world order.

During Putin's visit to China, the accent was on the further expansion of the economic cooperation. Twenty-nine cooperation agreements were signed during the visit. Trade between the two countries expanded by over 37% in 2005. Investment cooperation is also growing. A total of 557 Chinese investment projects are currently being realised in Russia. Russian investment in China presently exceeds US\$ 500 million.

The highlight of the visit was the cooperation in the energy sector. An understanding has emerged for the construction of a US\$ 10 billion gas pipeline to China from Siberia with a total capacity to supply up to 80 billion cubic meters of gas annually. The construction of the pipeline in two stages will be completed by 2011.

Russia expressed its keenness to continue building new nuclear energy facilities in China. Two nuclear power plants are currently being built by Russia as part of a US\$ 3.2 billion project in China.

Russia-China energy cooperation has enormous strategic significance. It helps balance Russia's heavy dependence on the Western markets at a time when the U.S. has been influencing the European countries to look for energy sources other than Russia. From China's point of view, Russia's commitment to lay a gas pipeline would go a long way in ensuring its long-term energy security.

The U.S. has all along worked against the realisation of Russia-China energy cooperation, which, in the U.S. estimation would significantly augment China's economic capabilities to emerge as a superpower in the coming decade or two, and add a solid strategic foundation to Russia-China relations on the whole.

Europe

France – Popular Victory

An important event in this period has been the mass movement against the law passed by the French government to provide for a hire and fire policy for new entrants in job. The First Employment Contract (CPE) provided for a two-year trial period for young people who get their first job in which they can be dismissed in the trial period. The students came out in large numbers against this law. High school and university students closed down educational institutions. Massive rallies were organised which were joined by the trade unions and the working class. After a month of shut downs and big mobilisations, the government was forced to withdraw the law. This was the second big victory in France after the referendum rejecting the European Constitution.

Italian Elections

The Berlusconi government was one of the worst right-wing governments in Italy. Headed by a media tycoon with numerous charges of corruption, Italy was made a significant ally in Bush's war against terrorism. Italy sent the 3rd biggest contingent of troops for the Iraq war, after the USA and Britain. The defeat of Berlusconi and his alliance and the victory of the Centre-Left is an important step in rolling back the reactionary government. Romano Prodi, the new Prime Minister, belongs to the Centre. He has announced troops will be withdrawn from Iraq.

Latin America's Shift To The Left

During the past three month period, the Latin American continent's movement toward the left in political terms has become more pronounced. Along with this, more and more countries are being drawn away from the

U.S.'s traditional sphere of influence. In overall terms, the trend is toward the social democratic and popular currents of independence from the so-called "Washington Consensus".

In the most recent period, the leftward shift has manifested in varying degrees in Honduras, Chile, Haiti and Bolivia. The emergent political landscape in these countries is conspicuous for a total absence of neo-liberal formations of consequence. This is bound to have far-reaching impact on the geopolitics of the Western Hemisphere on the whole. In a longer-term perspective, it is clear that U.S. imperialism is bound to face major challenges in restructuring its relations with its immediate neighbours in Latin America even as the countries of that part of the world advance their demands for social defence, regional autonomy and development.

On April 29 Bolivia formally joined the "Bolivarian Alternative For the Americas", which previously comprised Cuba and Venezuela. The three countries have agreed on an integration process that is based on "mutual aid, solidarity and respect for self-determination" and aims at greater social justice, cultural diversity, equity and the right to development. Accordingly, the three countries have signed a People's Trade Agreement.

A historic decision was announced by President Evo Morales on May Day of the nationalisation of the natural gas and petroleum resources of Bolivia. With this act, Morales has signalled that he has joined the bloc comprising Venezuela and Cuba to challenge US hegemony in Latin America.

Another major development in the Latin American continent has been the moves by the Venezuelan leader Hugo Chavez to reinforce control over the country's oil industry, which had been previously controlled by Western oil majors such as Chevron, Royal Dutch Shell, Total SA, etc. Venezuela has insisted on increased revenue shares for the state as well as operational control. Also, income tax on the windfall profits from the Venezuelan operations for the Western oil companies will be henceforth 50% as against 34% previously. Venezuela expects revenue of US\$1.2 billion out of the tax increase alone.

The active mass mobilisation by Conaie, the first self-organised indigenous movement in Ecuador's history, and the movement's direct-action campaign in the recent months is creating conditions for Ecuador's distancing itself from the U.S.'s traditional sphere of influence. Elections are due in Ecuador in October. The first round of elections for the President in Peru saw the rejection of the neo-liberal policies of Alejandro Toledo. Ollanta Humala emerged with the largest vote. The second round of elections held on 4th May has however led to the victory of Alan Garcia as the right wing and centrist votes consolidated around him.

NATO Expansion

The U.S. is spearheading the third stage of NATO expansion. The indications from the informal meeting of the NATO foreign ministers held at Sofia in April are that the NATO summit meeting scheduled to be held in November in Vilnius (the first ever NATO summit to take place on the territory of the former Soviet Union) would welcome the idea of granting “fast track” membership to Ukraine and Georgia.

Russia has already expressed its strong reservations about the new directions of NATO expansion involving Ukraine and Georgia, which is viewed in Moscow as a further step toward the “encirclement” of Russia. At the same time, Russia foresees the NATO going ahead with the proposed expansion regardless of its objections, and is reserving the option to make its counter moves.

NATO spokesmen have indicated that the organisation is aligning itself with countries that are willing to augment its operational capabilities. Countries such as South Korea, Australia, New Zealand, Israel, etc have been mentioned from time to time in this connection. NATO spokesmen have also repeatedly indicated interest in engaging India in a dialogue “to explain what it is doing” in the South Asian region.

It is a matter of time before an institutional long-term relationship between NATO and Pakistan materialises. A high level NATO delegation visited Pakistan in early May and held discussions regarding the formalisation of NATO-Pakistan relations. The two sides have already reached agreement in principle to cooperate with regard to the NATO operations in Afghanistan.

NATO has described its relationship with Pakistan as a “pragmatic relationship based primarily on our shared interest in helping Afghanistan”, but it will include “political and military ties”. NATO is in the process of appointing a liaison officer (the first ever in South Asia) in Islamabad. NATO is also acceding to a Pakistani request for training its military personnel in NATO military academies in Europe.

NATO’s New Role in Afghanistan

With effect from July, NATO will be assuming the responsibility for maintaining security all over Afghanistan, including the south and south-eastern regions affected by the Taliban insurgency. The NATO’s troop strength is accordingly being raised from 9000 soldiers to 17000.

The increase in the NATO troop strength is expected to facilitate the anticipated cut back in the American forces deployed in Afghanistan.

NATO has made it clear that its deployment is open-ended and will go on for years. This is the first time that NATO has established a semi-permanent

military presence adjoining the South Asian region. Significantly, NATO will be heavily depending on Pakistan for bringing into Afghanistan the necessary supplies for its forces.

Needless to say, in the bargain, for the first time in its history, Afghanistan, a non-aligned country during the Cold War years, is becoming part of a Western military alliance.

It is important to note that coinciding with the establishment of NATO's long term presence in Afghanistan, the U.S. is reviving the moribund Trans-Afghan gas pipeline (TAP) project proposal for evacuating natural gas (and oil) from Turkmenistan and other Central Asian countries via a route bypassing Russia and Iran. Conceivably, NATO will provide the security underpinning for the TAP passing through volatile regions within Afghanistan.

South Asia

Nepal: The heroic struggle of the people of Nepal for the restoration of democracy compelled King Gyanendra to announce the reinstatement of the dissolved Parliament. The massive popular movement following the call for a general strike on April 6 by the Seven-Party Alliance defied brutal repression at the hand of the country's security forces and relentlessly pressed for an end to autocracy. For 19 days the people were out on the streets. 14 persons, mostly young men died in police firing and over 4000 injured. The mass upsurge was spread over the entire country and encompassed all sections of society. Finally, the King backed down and announced the revival of the old parliament.

The 12-point agreement between the Seven-Party Alliance and the Maoists clearly paved the way for the mass movement. The government formed by the Seven-Party Alliance under the leadership of Prime Minister Girija Prasad Koirala has taken up the setting up of a Constituent Assembly as its topmost agenda. The parliament by a proclamation has curtailed the King's powers, especially the King's control of the country's armed forces. Nepal has been proclaimed a secular State.

The Seven-party alliance and the government announced that they would remove the labelling of the Maoists as "terrorists". The Maoists reciprocated the government's assurances regarding the Constituent Assembly by announcing the suspension of the blockade of Kathmandu and other towns. All indications are that the implementation of the 12-point agreement between the Seven-Party Alliance and the Maoists is on track, and provides the way for moving forward.

The first stage of the democratic transformation has to be consolidated by ensuring that the Maoists are brought into the political process. The King can

be expected to try his best to retain as much power as he could manage to wrest out of the Parliament, especially in respect of crucial control over the army. The United States is continuing to work for the exclusion of the Maoists from mainstream politics in Nepal. The negotiations between the government and the Maoists should pave the way for the election of the Constituent Assembly and the participation of the Maoists in the multi-party system.

Sri Lanka: All the signs are that after weeks of violence in a spiralling pattern of attacks and reprisals, Sri Lanka is edging toward the outbreak of open hostilities between the government forces and the LTTE. The peace process has come to a halt. The second round of talks scheduled to take place in Geneva on April 19-21, and postponed to April 24-25 was ultimately cancelled altogether. The LTTE pulled out of the talks alleging the government did not keep its promise at the February talks in Geneva to disarm the paramilitaries operating on government-controlled territories. This prompted international criticism of the LTTE.

The attacks and counter-attacks dramatically increased following the assassination of the pro-LTTE politician V. Vigneswaran on April 7. In the second half of April alone, at least 100 people were killed including military personnel and LTTE cadres, in the cascading violence. In a major incident on April 25, a suicide bomber belonging to the LTTE attacked the Army Commander and seriously injured him and killed 8 people in the heavily guarded Sri Lankan military headquarters in Colombo. The Sri Lankan military retaliated with air attacks on LTTE-controlled Sampur area near Trincomalee killing at least 11 people.

After a series of sea-borne attacks on Sri Lankan naval ships, the ceasefire monitors have condemned the LTTE for serious violations of the ceasefire. The European Union has decided to treat the LTTE as a banned outfit for terrorist activities. This will be a serious blow to the LTTE and make it more desperate.

The indications are that for its part, LTTE is preparing for war. The LTTE is making an issue of the government having not yet disarmed the Karuna faction and other paramilitaries as envisaged under the 2002 ceasefire. On the other hand, the insistence by the Sinhala extremist parties, in terms of their electoral alliance with the ruling party, for a revision of the 2002 ceasefire accord with a view to bolstering the standing of the country's armed forces, as well as for jettisoning Norway as the formal facilitator of the peace process continue to work as negative factors on the government.

Bangladesh: Bangladesh is in a state of ferment. The elections for the parliament are due to take place this year. The 14-party opposition in which the Awami League is the major opposition party, is striving to build a joint platform to ensure a free and fair elections and have raised the issue of reconstitution of the election commission that will supervise the election process. The present government of Begum Khalida Zia, which assumed office in the wake of 9/11 had fundamentalist organisations in the

government. The government was constantly protecting the extremist elements who were attacking secular and democratic forces on the basis of a resurgent fundamentalist platform. But, the extremist/fundamentalist depredations severely affected all aspects of public life leading to growing public resistance. This forced the government to take some action against certain extremist outfits. The extremist groups' demand for replacing the current constitutional laws with the Islamic shariat also led to attacks on the judiciary. The judiciary also took a position against these extremist elements. As a result, the most infamous extremist leader Banglabhai has been handed a death sentence.

It is in this background that the election assumes great significance. It offers an opportunity for the democratic forces to assert themselves for restoring peace, protecting the religious minorities and re-establishing the rule of law. The election results will also be crucial for Indo-Bangladesh relations, given the present Bangladesh government's soft attitude to the terrorist outfits operating from India from its soil and who maintain links with the ISI.

SAARC: The Dhaka meeting of the Standing Committee of the SAARC held on April 10-11 agreed in principle to admit the U.S. and South Korea as observers. The European Union is also reportedly seeking a similar status. Out of the countries that are having observer status, only China has a common border with the SAARC member countries. India has backed the US offer.

The sudden rush for observer status by the extra-regional powers (Japan, U.S. and South Korea) cannot be explained away. Evidently, the U.S. and its Asian allies seek to consolidate their overall influence in South Asia.

Significantly, this development coincides with a shift perceptible in the U.S. regional policy since last October at the very least, aimed at steering the Central Asian states toward the South Asian region within the ambit of a "Greater Central Asia" that would also include Afghanistan. (Interestingly, Afghanistan, which has been lukewarm toward the SCO's overtures, has also joined SAARC.)

The shift to the Left in many Latin American countries, the growing assertiveness of Russia and the close developing ties with China which is steadily expanding its strength are all positive developments. The US is bogged down in the quagmire of Iraq and faced with mounting discontent in Afghanistan. While these pose difficulties in the global hegemonic drive of the US, the reality of US aggressive power has to be reckoned with. On Iran, it has rallied its European allies like France and Germany who are recalcitrant on Iraq. It is aggressively pushing NATO eastwards with the active support of its East European supporters. Japan and Australia are firmly with the US in the Asia-Pacific region. So the assessment made in the 18th Congress that the US imperialist offensive continues is valid for the present. The success of the Left and progressive forces in the recent period should be utilised to push for a wider and multi-layered resistance.

The growing US intervention in South Asia and India in particular needs to be fully recognised. The Party should constantly work to see that all the anti-imperialist, nationalist and democratic forces are mobilised against the heightened danger from the growing imperialist influence in India and the region.

National Situation

The national situation in the last three months was dominated by the assembly elections in the four states of West Bengal, Assam, Kerala and Tamilnadu and the Union Territory of Pondicherry. The victory of the Left Front for the seventh successive time with a three-fourths majority and the victory of the LDF in Kerala with a two-thirds majority has brought into national focus the CPI(M) and the Left's role in national politics. It has strengthened the intervening capacity of the Left. Apart from the assembly elections, the other major developments which have taken place need to be noted. The period saw the consequences of the Indo-US strategic alliance unfolding, particularly the efforts being made to push through the Indo-US nuclear cooperation agreement. The agrarian crisis continues and its impact is seen in the continuing suicides by farmers in various places. The price rise of essential commodities has affected the people especially when the public distribution system is failing. The stock market crash raised questions about the FII hot money flowing into the country; the communal riots in Vadodara and Aligarh were an indication of the insidious efforts being made by the communal forces.

The UPA government stepped up its efforts to push through various neo-liberal policies. The question of reservation in higher educational institutions for OBCs came into sharp focus with forces against and for it being mobilised.

UPA Government's Policies

There has been a concerted bid to push ahead with the neo-liberal agenda in the last three months. The Bush visit and the report submitted by the Joint CEO Forum gave an impetus to the government's efforts to push through with policies of privatisation and liberalisation. The government decided to go ahead with the handing over of the Mumbai and Delhi airports to private consortiums despite various questions being raised about the way the contracts were handed out and overlooking the claims of the Airports Authority of India to undertake modernization of the two airports. The government is now pushing for handing over the two other major airports – Chennai and Kolkata – to private parties through joint ventures for modernization. Their plan is to get 35 existing airports in India modernized through the involvement of the private sector and sidelining the Airports Authority of India. The government is still committed to allowing 74% FDI in private banks in India. This is to facilitate foreign companies taking over Indian private banks. However, the Bill to do away with 10 per cent voting cap in the Banking Regulation Act has not been pushed through in parliament because of the Left's opposition.

The Prime Minister announced the intention of the government to go in for full capital account convertibility at the Asia Society Forum (an American organisation) in Mumbai. After announcing FDI in retail trade in single brand category, further steps to open up retail trade in various sectors are being worked out. In the name of public-private partnership (PPP) the Standing Committee and the Finance ministry are pushing for entry of private sector and foreign capital in all infrastructure sectors including railways.

It is noteworthy that it was the Deputy Chairman of the Planning Commission who promptly announced that committees will be set up to look into 26 recommendations made by the Joint CEO Forum during the Bush visit. All the recommendations pertain to opening up of various sectors to US capital and foreign financial capital. The Planning Commission has become the hub for pushing through the neo-liberal policies which are contrary to the spirit of the Common Minimum Programme.

The UPA government has been proclaiming an eight per cent GDP growth as evidence of its overall economic performance. However, this claim ignores the agrarian crisis which has affected the farmers and the rural poor. Farmers' suicides continue at a disturbing rate in states like Maharashtra, Andhra Pradesh, Karnataka and Kerala. Neither has the government implemented the National Farmers Commission's recommendations to provide credit to farmers at 4 per cent nor provided for full coverage of crop insurance.

Agricultural and food policies are flawed. In the name of promoting diversification, foodgrains production is not increasing. The production of rice and wheat fell in 2004-05 compared to 2003-04. In 2005-06 rice production is expected to be marginally more than in 2003 while wheat will still be behind the 2003 target. The foodgrain production in 2004-05 fell to 198.4 million tonnes as compared to 213.2 million tonnes in 2003-04. In 2005-06 the estimated production is 210 million tonnes which is still less than the 2003 figure. The shortfall in production and procurement has led to the government deciding to import three million tonnes of wheat after the earlier import of half a million tonnes. The farmers have got higher prices from private traders than the minimum support price (Rs. 650 + 50 bonus) and the procurement will be less than what is targeted. There is a projected deficit of 30 lakh tonnes as on 1st April 2006. With declining procurement, food security and the public distribution system are bound to be affected.

The government has shown no concern for the continuous rise in prices of food items and other essential commodities. It complacently states that the wholesale price index inflation has come down to 4 per cent in 2005-06 as compared to the previous year.

The people are experiencing an all round rise in prices of essential commodities like wheat, pulses, edible oils, vegetables and medicines. Cement prices have also shot up. The government's outlook is how to reduce the food subsidy. The Agriculture Minister has announced that the prices of

rice and wheat in the PDS will be increased. This will be accompanied by reduction in quantum of wheat supplied and also by cuts for APL card holders. The foodgrain component in wages in the SGRY and other Central government schemes is being cut. The refusal to include foodgrains in the REGA schemes and give cash will mean a lowering of the real wages for those given work under these programmes.

Food security and ensuring sufficient supplies of foodgrains in the public distribution system are going to be major issues. The Party will have to take up this issue in the coming days. Access to PDS, issuance of BPL cards, adequate supplies of foodgrains and the price rise of various commodities must be the basis for movements in the states and the local struggles.

REGA

The Rural Employment Guarantee Act has been put in place in 200 districts from February 2006. According to the government 2.45 crore households applied for registration of which job cards have been issued to 1.7 crore households. Out of 70,99,839 who demanded employment 59,94,248 were provided work. There are reports of the scheme not being implemented properly in many places. Either the registration of job seekers is not being done properly nor wages given according to the schedule. The Party and the mass organisations should intervene to mobilise people to ensure that the scheme is properly implemented.

Petrol Price Hike

After increasing the prices of petroleum products four times in the last two years, the government is considering another steep hike citing the increase in the international oil prices. The government refuses to review the taxation structure for petroleum products by which the government has imposed a big burden on the people. Without reduction of the tax burden on petroleum products, any attempt to impose added burdens on the people will have no justification and has to be strongly resisted.

Stock Market Crash

The recent crash in the stock market and the volatility of the market underline the danger of going in for full capital account convertibility. The Left parties had demanded at the time of the pre-budget discussions that the government introduce the long-term capital gains tax for equities. The government has refused to do so and this facilitates speculation in the stock market. Further, FIIs are allowed unreasonable concessions with their profits not being taxed as business income. The double taxation treaty with Mauritius is designed to help the FIIs and multinational companies to avoid paying taxes in India. The government could have earned a substantial amount of revenue if it had taxed FII profits and introduced a long-term capital gains tax. This would have helped raise resources for its social sector and developmental expenditure.

Indo-US Strategic Alliance

Both the foreign policy and domestic policies are being influenced by the Indo-US strategic tie-up which was forged during the Prime Minister's visit to Washington in July 2005 and carried forward during the Bush visit in March 2006. The efforts and negotiations to get the nuclear cooperation agreement through the US Congress has resulted in the Indian government conceding its strategic autonomy and making foreign policy hostage to the United States. The United States has stepped up its hostile manoeuvres against Iran and declared that it has not ruled out exercising the military option to prevent Iran developing its nuclear technology. The Manmohan Singh Government refuses to criticise such a posture. The Israel-US-EU efforts to punish the Palestinian people for electing the Hamas government by stopping financial grants was not condemned by the Indian government. The United States is being made an observer in SAARC after the SAARC countries decided to have China as an observer. India proposed Japan also as observer and now the United States is also being involved. The Shanghai Cooperation Organisation summit is being held on June 15. India, Pakistan and Iran are observers. Both Iran and Pakistan have decided to send their heads of state to attend the summit. The UPA government has decided to send the Petroleum Minister Murli Deora to attend the summit as the Prime Minister's representative which indicates how seriously the government takes this important summit.

The nuclear cooperation agreement is being used by America to step up pressure on India to accept terms which would erode its independent capacity to develop nuclear technology. Further, in order to get US approval, India is preparing for a big arms purchase from the US. Various aspects of the military cooperation agreement are being worked out such as the logistics supply agreement and the Maritime Cooperation Framework. India being drawn into a strategic alliance with the United States is an issue of the utmost concern for the Party and the Left and democratic forces. The Party should mobilise all the democratic forces and conduct protests against the Indo-US military exercises wherever they take place. In the coming days all efforts must be made to check this direction of policy and to ensure that the UPA government does not go ahead with a whole host of agreements which harm India's sovereignty and independent foreign policy.

It is not only in the sphere of foreign policy but domestic policy also that the US intrusion and intervention is becoming increasingly evident. India's energy policy cannot be dependent on nuclear energy which in turn is dependent on imports of nuclear technology. It is in the national interests to have the Iran-Pakistan-India gas pipeline. This venture is now virtually scuttled. Instead, under American influence, the Cabinet has decided that India will join the Turkmenistan-Afghanistan-Pakistan gas pipeline. The direction on agricultural research and education will be announced by the Knowledge Initiative set up with America. It will also have its implications for our science and technology development and intellectual property rights. The US pressure to push forward with neo-liberal policies will have its impact on sections of the working people. Recently, the MRTTP indicted Monsanto for

the exorbitant prices for its Bt. Cotton seeds. This shows how entry of US multinationals in agriculture harms the interests of farmers. Even on the import of wheat, the United States has pressurized the government to relax Phyto-sanitary conditions so that American wheat can be bought.

Communal Situation

In the last Central Committee report it was noted that the communal situation had deteriorated in the BJP run states. Attacks on minorities had increased in states like Madhya Pradesh, Rajasthan and Gujarat. The communal violence in Vadodara flared up after the BJP-controlled Municipal Corporation decided to demolish a 300-year old dargah on the pretext of widening the road. The violence that erupted subsequently led to the death of four persons. Curfew had to be imposed and the army sent in after the central government's intervention to stop the violence. In Aligarh in Uttar Pradesh, a minor incident on Ram Navami day led to the violence that lasted for four days and the death of four people including those in police firing.

There were apprehensions that the rath yatras undertaken by Advani and Rajnath Singh would aggravate the communal situation. However, this programme flopped and they were called off prematurely after the death of Pramod Mahajan. But these two communal incidents in Vadodara and Aligarh underline the danger of the communal activities which work in a subterranean fashion and which erupts into communal violence when a provocation or opportunity presents itself.

Reservation in Education for OBCs

In 1990 reservation for OBCs in central services was announced by the V.P. Singh government. This was finally implemented after the matter went to the Supreme Court. Last year, the Supreme Court in the Inamdar judgment had given a verdict that the government cannot provide reservation for unaided colleges. In order to meet this situation, the parliament adopted a Constitutional amendment which allows the State to make special provisions for socially and educationally backward classes and SCs and STs in admissions to educational institutions including private unaided institutions except for minority institutions. It is in this background that the HRD minister sent a note to the cabinet for implementing OBC reservations in central government sponsored educational institutions and in the second stage in private institutions. News of this move by the government led to protests from students in some of the central government institutions like the AIIMS. The protests spread to other centers with other sections of students joining in. This agitation has been on for two weeks. With the academic year beginning in June-July there is every possibility of the protests widening with more students joining in.

The CPI(M) had decided its basic position on reservation for OBCs at the time of the implementation of the Mandal Commission Report in 1990. Prior to that the Party had evolved a stand on reservation for backward classes when it

came up in some of the states. The basic position of the Party is that reservation in jobs and education is a limited and partial step to address the iniquities of the caste system and the discrimination and deprivation that it has entailed for the oppressed castes in Indian society. Given its class standpoint, the CPI(M) had also asserted that there can be no real emancipation for the dalits, adivasis and the oppressed classes without basic land reforms and changes in the socio-economic system which breeds inequality and exploitation. Without seeing it as a panacea, the CPI(M) has supported reservations as provided in the Constitution for the scheduled castes, scheduled tribes and other backward classes. It has rejected the anti-reservation rhetoric based on “merit” which is used as a cover to protect the privileged positions of upper caste sections.

Extension of OBC reservation to education is based on the same principle as its application to jobs. The CPI(M) supports reservation in higher educational institutions for SC, ST and OBC. The state governments are to decide the quantum of reservation in the institutions run by them. In higher education, since there is a scarcity of seats, especially in professional institutions, reservation should be accompanied by a commensurate increase in the number of seats in the institutions run or aided by the Central government.

While the CPI(M) is for reservation, it has maintained that distinct from the scheduled castes and scheduled tribes, there is differentiation among other backward classes. Reservation should benefit the poorer and needy sections among these communities. For this, there has to be a socio-economic criteria which excludes the affluent and those already having access to jobs and higher education. This came to be known as exclusion of the “Creamy Layer” based on the Supreme Court judgement on the implementation of the Mandal Commission report.

While expanding the seats in educational institutions, students coming from weak and poorer background and who do not come in the reservation categories should also be provided for through a separate allocation of seats.

Alongwith this, the government should immediately prepare a legislation for regulating all private higher educational institutions. The legislation should enable state governments to regulate admission and fees in all private higher educational institutions which are aided or unaided. The crass commercialisation of higher education has closed the doors for a large number of deserving students irrespective of their background and even when they have the necessary qualifications and merit. Social control of the burgeoning “educational industry” is an urgent necessity.

Unlike in the states of South India where reservation for OBCs has been in place for decades, the question of OBC reservation can be a divisive issue in Northern India. This is because of the delay in social changes and reforms in society. It is important that our stand on reservation should encompass both aspects. Firstly, supporting the principle of reservation as a limited but necessary step for advancement of the welfare of the oppressed castes and

secondly, stressing that the common problems of the poor and ordinary people of all castes and communities require united and joint struggles to change the socio-economic set up. As we have pointed out in our earlier documents, we cannot line up behind the upper castes and chauvinist forces who cannot accept social change nor should we tail behind purely caste-based attempts to depict that all solutions lie in reservations which is done mainly with their sectarian interest to mobilise their vote banks. The Party emphasises that the government should come out with its stand to introduce reservation after discussions with all sections so that the widest agreement is reached and the efforts of vested interests to create divisions on this issue is minimized.

After discussions in the UPA Coordination meeting alongwith the Left parties, the government has decided to bring legislation in the Monsoon Session of parliament to provide for 27% reservation for OBCs in educational institutions under the purview of the central government. At the same time, in order to see that the interests of all sections of students are protected, the number of seats in the educational institutions will be commensurately increased. In order to do this a committee would be set up. The OBC reservation would be implemented in the educational institutions beginning from the academic year in June 2007.

With the OBC reservation in education meeting with opposition, there is every possibility of the BJP and the right wing communal forces utilising this issue and trying to give it a communal turn. At the time of the implementation of the Mandal Commission report in 1990 the BJP had used this effectively to mobilise the forces around the temple issue. We have to be alert to see that there is no configuration of forces that can help the BJP-RSS combine to take advantage of the situation.

Office of Profit Issue

The disqualification of Jaya Bachchan from membership of the Rajya Sabha for holding “office of profit” brought into sharp focus the question of members of Parliament holding non-legislative positions. Under the Constitution, Parliament is empowered to decide whom to exempt from disqualification for holding an office of profit. However, Article 102 of the Constitution does not define what is an office of profit. Parliament has a legislation – the Prevention of Disqualification Act – under which periodically certain offices have been exempted from the office of profit. Since the post held by Jaya Bachchan was not provided under the purview of the Act, she became liable for disqualification.

The CPI(M) took the view that the Parliament should amend the law suitably to put certain offices held by Members of Parliament outside the purview of the office of profit. Along with that, Parliament should set-up a sub-committee to examine in depth the question of what constitutes an office of profit.

Parliament enacted legislation amending the Act. However, the President has returned the legislation for reconsideration raising some queries. The Party is of the view that Parliament is entitled to pass legislation in this regard with retrospective effect. Further, there can be no uniform law covering this area for the Parliament and the various state legislatures. Parliament should consider the issue and adopt the Bill again and, as per the constitutional procedure, send it back to the President for approval. The Party is of the view that there are certain positions which should be held by people's representatives as they are in the nature of public service. It is necessary to bring clarity to the question of what constitutes an office of profit to put an end to the present anomalous situation.

Jammu & Kashmir Situation

The UPA government had held a round-table meeting with political parties belonging to all the regions of the state that accept being part of the Indian Union. This meeting was held in Delhi in December 2005. The National Conference, the PDP, the Congress, the BJP, the CPI(M), CPI, Panthers Party and other regional parties participated. Earlier, the Prime Minister had a round of talks with the moderate Hurriyat Conference. The government did not talk to all the separatist organisations in a systematic fashion. It was premature to expect any of the separatist organisations to join the round-table talks with the mainstream parties, given the fact that they do not recognize these parties as representatives of the J&K people. It was not surprising that the Hurriyat therefore refused to attend the second round table meeting in Srinagar in May 2006.

The government has to maintain a dialogue with the separatist organisations on one track and on the other hold consultations with the parties which are willing to work within the framework of the Indian Union. Apart from measures to instill confidence among the people and reduce tensions and excesses by the security forces, substantive talks have to revolve around creative solutions which can give content to the concept of maximum autonomy and which can also take into account the aspirations of the people of both sides of the LoC for increasing interaction and ties.

The extremist groups are totally against the political dialogue which has begun. They have stepped up attacks in Srinagar and embarked on killing innocent people in the Doda region. In two massacres in Doda in remote villages, more than 30 people were killed brutally by the militants. It is necessary for the Central Government and the state administration to take effective steps to check such terrorist violence while pursuing the political process.

As far as the Indo-Pakistan dialogue is concerned, both countries have made progress on withdrawal from the Siachen glacier. If a mutual agreement is reached on the ground verification of the position held by both sides prior to the withdrawal, this will be a welcome step for defusing tensions and

eliminating a source of great expenditure and cost of human lives on both sides.

Assembly Elections: Left Victories

The superb victory of the Left Front in West Bengal – winning for the seventh successive term and with a three-fourth majority – was the highlight of this round of assembly elections. Added to this, the big victory for the Left Democratic Front, with a two-third majority, in Kerala has resulted in the CPI(M) and the Left platforms acquiring national prominence. The intervening capacity of the Party and Left has been strengthened.

The Party had set the aim of the Left Front being returned to office for the seventh time in West Bengal, the LDF winning the elections by defeating the UDF in Kerala and strengthening the representation of the Party in Tamilnadu and Assam. It is a matter of satisfaction that all these aims have been achieved.

In West Bengal, the Left Front has won 235 seats out of 294 seats. The CPI(M) has got 176 seats. The Left Front has got 50.18 per cent of the vote compared to 48.99 per cent in 2001. The Left Front has won 50 per cent or more votes in 127 seats. Of the 59 SC seats, the Left Front won 54; of the 17 ST seats, the Left Front has won 16; of the 216 seats in the mainly rural areas, the Left Front won 183; in the 80 seats which are mainly in the industrial area, the Left Front won in 61.

A big majority of the workers, peasants and agricultural labour voted solidly for the Left Front. The active support and participation of women in the election was a significant feature. The Left Front got solid support from the Muslim minorities too.

In Kerala, the LDF has won 98 out of 140 seats. The CPI(M) has got 61 seats and 4 were won by independents supported by it - the highest figure ever since the CPI(M) began to fight elections since 1965. The LDF polled 48.63 percentage of the votes compared to 43.7 per cent in 2001. The LDF got 5.65 per cent more votes than the UDF. The percentage of the votes polled by the LDF is more than what we had polled in Lok Sabha elections. In Lok Sabha elections, we got 46.23 per cent.

The LDF got more than 50 per cent of the votes in five districts. Compared to 2001, the total votes polled by the LDF increased in all districts, except in Alappuzha, Pathanamthitta and Thiruvananthapuram.

A notable feature of these elections is the inroads made by the CPI(M) among the Muslim masses. In Malappuram district, out of 12 seats, the LDF won 5, defeating some of the top leaders of the Muslim League in their strongholds. The LDF did well in constituencies outside Malappuram where Muslim population is sizeable. The shift of the Muslim League votes is an important development. Both the communal parties – Muslim League and the BJP –

have suffered serious reverses. The BJP vote disintegrated with the party getting 4.75 per cent vote compared to 12.11 per cent during the Lok Sabha elections.

In Tamilnadu, the CPI(M) has won nine seats. The Democratic Progressive Alliance consisting of the DMK, the Congress and the PMK won 148 seats. Apart from the CPI(M), CPI won six seats. This is the first time that a Dravidian party has formed the government without winning a majority of the seats. The DPA-Left combination polled 44.73 per cent votes while the AIADMK-led alliance got 40.06 per cent – a difference of 4.67 per cent votes. A notable feature is the performance of the new party, DMDK, led by film actor Vijayakanth who got 8.38 per cent votes. This party has attracted young voters and those who are dissatisfied with both DMK and AIADMK.

The BJP, despite putting up a large number of candidates, polled only 2.02 per cent of the votes.

The CPI(M) fought 13 seats and got 2.64 per cent votes. We have lost one seat, Singanallur, by only 14 votes.

In Assam, the CPI(M) contested 16 seats. There was a partial adjustment with the AGP. Both the CPI(M) and CPI had some understanding with the AGP. The Party has won two seats – Sorbhog and Rangia – and came second in one other seat. CPI has won one seat.

The Congress party which had got a majority in the last elections by winning 72 seats, this time got only 53 seats. The Congress has formed a coalition government with the support of the Bodoland People's Progressive Front (H). The minority based Assam United Democratic Front which fought against the Congress got 10 seats. The BJP has also won 10 seats compared to 8 in the last elections.

The results of the Assembly elections have drawn the attention of the entire country with the unprecedented victory of the Left Front in West Bengal and the decisive win for the LDF in Kerala. This has focused attention on the CPI(M) and the Left's consistent stand and struggle for pro-people and alternative policies. The improved performance of the Party in Tamilnadu and Assam also indicates that the Party has a wider appeal among the people in the present political situation.

Election Commission

The Election Commission's role in the West Bengal elections and to some extent in Kerala have raised a number of disturbing questions. The manner in which a five-phase polling in West Bengal and a three-phase polling in Kerala was announced without any credible reason was an indication of things to come. The arbitrary deletion of 30 lakh names from the voters' lists, the biased and illegal acts of certain observers and the attempt to sideline the state government and state administration in the conduct of the polling - all raise

the question about the functioning of the Commission. The decision that all polling booths should be manned by central paramilitary forces without any deployment of the state police along with the other measures was an attempt to impose virtually President's rule in the state.

The West Bengal experience has important implications for parliamentary democracy and the accountability of the Election Commission. It highlights the need for reforms in the Election Commission. The Party should prepare a document for public debate drawing lessons from this experience and articulating the need for reforms and formulating recommendations to be implemented.

Political alignments

The Congress has not been able to make any advance in the assembly elections. In Assam, it emerged as the largest party but failed to get a majority after being in government and has been able to form a coalition government with the help of its ally, the BPPF(H), a party of the Bodos. In Pondicherry too, it has formed the government after emerging as the largest single party. The big victory of Sonia Gandhi in Rae Bareilly once again confirms that the Gandhi family is secure in their home constituencies, but this is no indication that the fortunes of the party have revived in UP where it is still in the fourth position.

However, the fact that Congress has come back to government in Assam and the DMK-led alliance could win the elections in Tamilnadu will help the UPA government as these elections have not introduced any destabilizing factor.

The BJP has not been able to make a substantial recovery. On the contrary, it is headed for more problems. While it is true that the BJP was able to be part of the coalition government in Bihar after the elections and join the Kumaraswamy government in Karnataka, it has not been a smooth road. The differences in the top leadership continue with Advani still trying to assert himself after being removed from the Presidentship. Uma Bharti has formed the Bharatiya Janashakthi Party and Madanlal Khurana has joined her. In Jharkhand, the factionalism in the party has led to the revolt by Babulal Marandi, who commands support.

The failure of the yatras by Advani and Rajnath Singh to elicit any popular response underscores the problem faced by the BJP. The people are not willing to buy the Hindutva agenda and slogans such as minority appeasement.

The NDA has also got weakened. Two parties, the Assam Gana Parishad and the National Conference, which were part of the NDA have left. The Telugu Desam and the AIADMK which supported the NDA government and had alliances with it at the state level have also broken ties with the BJP. The JD(U) which is a partner in the NDA, is also changing its stance. It has begun to demarcate from the BJP on its communal positions. The election of Sharad

Yadav defeating George Fernandes for the Presidentship indicates this trend, though given their dependence on the BJP to run the Bihar government, they will not come out of the alliance at present.

The weakening of the NDA benefits the UPA government to the extent that the former is in no position to mount a big offensive against it. It also helps the Congress divert attention from the lacklustre performance so far.

The five state assembly election results have also put paid to the move by SP and TDP to put together a “national alternative”. Mulayam Singh and Chandrababu Naidu announced the formation of such an alternative in March stating that AGP, National Conference and AIADMK are part of it. They had hoped the victory of the AGP in Assam and Jayalalitha in Tamilnadu will boost the chances of such a front. The outcome has disappointed such hopes. The failure of this third front effort to take off underlines what the Party has been saying. The third alternative cannot be formed only keeping in mind electoral exigencies and getting some parties together. It must be an alternative based on common policies and by jointly working for the common platform. It has also become clear that in present situation, only a Left initiative can bring such an alternative into being.

Another development is the opportunistic position adopted by Deve Gowda, the all India President of the Janata Dal (Secular). Faced with increasing tensions and conflicts in the Congress-JD(S) alliance government, Deve Gowda sought to get his demands accepted by the Congress and threatened to withdraw from the coalition government. At the same time, the bulk of the JD(S) MLAs led by his son, H.D. Kumaraswamy, joined hands with the BJP to form a new government. Deve Gowda sought to convey this decision as taken without his consent, but soon after began supporting his son and the legislative group. By doing so he has damaged his credibility and that of the JD(S) which had so far taken a consistent anti-BJP and anti-communal line. This development has also some impact on the prospects of a third alternative as till recently the JD(S) has been firmly against the BJP and for a third force.

In Uttar Pradesh, the assembly elections will be held in February 2007. The SP's position has eroded because of the record of the Mulayam Singh government. In the recent period, the BSP has made gains with Mayawati trying to rally the upper castes like the Brahmins. The main electoral contest will be between the SP and the BSP.

It is in this background that V.P. Singh has announced the revival of the Jan Morcha as a political platform with Raj Babbar as the Convener. They have announced they will contest the elections. Babbar had left the SP after falling out with the Samajwadi Party leadership. Some of the caste-based parties of backward castes have joined the Jan Morcha. The CPI is cooperating with the Jan Morcha. The Morcha held a well attended rally in Lucknow on May 30 which was attended by Laloo Prasad, Ram Vilas Paswan and leaders of the CPI & RSP. We have to watch the situation and decide our electoral tactical line.

Left's Position

The victory in the assembly elections in West Bengal and Kerala has strengthened the Left's role at the national level. Our capacity to intervene on matters concerning the UPA government will also increase. But there are limits to our intervening capacity. We are utilising our strength in the three main bases of West Bengal, Kerala and Tripura to leverage our position at the Centre. But the Party and the Left by themselves are not in a position to make a decisive impact on policy making given the fact that our strength at the all India level is limited. It is the present conjuncture where the UPA government depends on the Left that is enabling us to utilise our limited strength in an effective manner.

In the present situation, the Party and the Left are placed in a favourable situation after the victory in the Lok Sabha elections in 2004 and the assembly elections in West Bengal and Kerala. This situation must be utilised to project the Left's positions, conduct mass political campaigns and launch movements and struggles on the people's issues. It is through these struggles that we can achieve the immediate aim of influencing the UPA government's policies, provide relief to the people and defend their interests while at the same time build and strengthen the Party at the all-India level. It is through the mass campaigns and movements that we can rally the other forces and expand the influence of the Party and the Left.

Attitude to UPA Government

The experience of the past two years of the UPA government has shown that we have been able to utilise our strength in parliament to check legislation which are against the interests of the people of the country such as the increase of FDI cap in insurance, the Pension Regulatory Authority Bill and the amendment to the Banking Regulation Act. On policy decisions which can be taken by the cabinet, the government has gone ahead.

With regard to the UPA government, in the last March meeting of the CC, we had decided on three points.

“First of all, we should be more assertive in our opposition to the economic policies which go against the interests of the people and the country and those measures which are in violation of the Common Minimum Programme. This opposition be expressed not only in the UPA-Left Coordination Committee but by our conducting campaigns and struggles and by raising them more vigorously in Parliament.

“Secondly, we should convey to the Congress leadership in the UPA-Left Coordination Committee that if they insist on going ahead with contentious issues like Iran, airport privatisation, FDI in retail trade etc, they will have to face opposition not only from outside but inside Parliament too. Further, the UPA government's practice of holding discussions/consultations on policy

issues with Left leaders and then announcing that the Left has consented on these matters should be stopped.

“Thirdly, on several issues like Iran, the Bush visit and the FDI in retail trade, a number of other parties, including some in the UPA, can be rallied to oppose the government’s stand. On such issues, we should try to rally all the non-BJP parties on a common platform and also confront the government in Parliament. The message should go that we will not confine ourselves to the UPA-Left coordination framework and that we will forge platforms and alignments with other parties whenever issues come up. “

Future Direction

We could take up some issues like Iran and the Bush visit before the assembly election campaign began. But there are a number of policy matters and people’s issues which we have to take up. The government is pushing ahead with the privatisation drive in various sectors; it wants to further open up financial sector, retail trade and other vital areas to FDI; the government is unwilling to raise resources by taxing the rich and allocating these funds for social sector development expenditure. On a number of people’s issues like price rise, PDS, food, employment etc, the government has not taken any worthwhile measure. On the contrary, it is poised to raise PDS prices of wheat and rice. Our slogan of land, food and employment, given at the Party Congress is relevant in various ways and struggles can be conducted around them.

The UPA government’s foreign policy is an important issue which should be given priority. The Indo-US strategic partnership impacts not only our foreign policy but other spheres too. As the March Central Committee report stated, “Our party must understand the serious danger posed by this orientation of the UPA government. It will have serious repercussions for our economic sovereignty, independent foreign policy and lives of the working people”.

To take up all these matters and to roll back the wrong policies of the UPA government, we will have to take a tougher stand in parliament. Our position must be expressed more vigorously. We should not hesitate to put the government in the dock and oppose such measures in parliament.

As directed by the 18th Congress political tactical line, we should step up our struggles against the communal forces and the pro-big business and anti-people economic policies and in defence of the interests of the working people. On the petrol/diesel price hike, our Party has already mobilised various other parties for a joint all India protest day.

In the next meeting of the UPA Coordination Committee, we should present a document which critiques the role of the government, demands corrective steps and implementation of the pro-people measures. This must be used for mass campaign. We should insist that the government not proceed with

certain key issues which are disputed. If they continue to do so, we should consider whether the Coordination Committee mechanism will serve any purpose.

The election victories in West Bengal and Kerala have provided a momentum for the Party and the Left. All over the country there is a recognition of the role of the Party. We should be able to utilise this atmosphere – for projecting the Party, taking its policies to the people and mobilizing them on our platform.

The Central Committee should plan out a big national political campaign by the Party. This campaign should set out the Party's positions on the need for economic policies which address the common people's problems; the danger of the UPA government's strategic alliance with the US and the need for an independent foreign policy and exposure and condemnation of the BJP's communal Hindutva agenda. The Party's Left and democratic platform should be projected. A month-long campaign should be conducted in August 2006.

As for the immediate issues of land, food, employment, defence of working class interests and price-rise, the mass organisations should take up the major problems of their sections of the people while the Party should take the initiative to conduct local struggles.
