

**REPORT ON POLITICAL DEVELOPMENTS
SINCE LAST CENTRAL COMMITTEE MEETING
(ADOPTED AT THE MARCH 04-06, 2011 MEETING
OF THE CPI(M) CENTRAL COMMITTEE)**

INTERNATIONAL

Popular Uprisings in Arab Countries

The most remarkable development on the international scene has been the popular uprisings in the Arab countries particularly in Egypt. The popular revolt in Tunisia against the authoritarian regime of Zine el-Abidine Ben Ali saw thousands of people come out on the streets. 78 people died in the repression unleashed on the protesters. But the unity among all sections of the people led to the fall of regime and the flight of Ben Ali out of the country.

Uprising in Egypt

Close on the heels of the Tunisian uprising came the now historic people's uprising in Egypt against the dictatorial Mubarak regime. Starting from January 25 people came out in the streets all over Egypt. The focal point being the Tahrir square in Cairo. After 17 days of continuous mass protests, Mubarak had to step down. The efforts to mollify the protesters by dismissing the cabinet and appointing a new one, announcing that he would not stand again when his term ended in September or that his son would not do so – all failed to stem the tide of protests. The police repression and unleashing of thugs to attack the people led to 300 deaths but it failed to quell the uprising. A significant aspect of the protests was the spate of working class strikes all over Egypt.

Since 1979 when Anwar Sadat had signed the peace treaty with Israel, the United States had relied on Egypt for controlling the Middle East using the Israeli-Egyptian alliance as the lynchpin. This became the single biggest factor against the Palestinian struggle. For instance, Israel's blockade of the Gaza strip is supplemented by Egypt severely restricting movements and supplies through the Rafa crossing into Gaza. Both Israel and the United States have high stakes in maintaining Egypt's strategic tie up with them. The United States realized that Mubarak could not be sustained and after a week into the popular uprising, began exercising pressure on him to step down. The Egyptian army which has close ties with the United States but is also held in high esteem among the people is now in

charge. It has promised to bring in democratic reforms and changes in the constitution before elections are held in September.

An important source of discontent in Tunisia, Egypt and other countries has been the deterioration in the living standards of the people and the high price of bread led to riots. Growing unemployment among the youth fuelled the discontent. The impact of the neo-liberal policies adopted by the Mubarak regime met with widespread resistance. A notable feature of both the uprisings in Tunisia and Egypt is that the Islamist forces were not the ones who initiated or led the movement. Though the Muslim Brotherhood joined the mass protests, it was the educated youth, the middle class professionals and trade union workers who dominated the coalition of forces. The demands raised by the movement were secular in nature.

The popular uprising in Egypt was a truly historic event in the Arab world. If the popular movement can achieve the ushering in of a democratic set up it will have far reaching repercussions in the whole region. It also holds the potential of upsetting the US strategic plans in the Middle East and weakening Israel's aggressive designs which have relied on the tie-up with Egypt.

The wave of popular unrest has affected other Arab countries too. In Bahrain people belonging to the Shia majority have been peacefully protesting against the despotic rule of the ruling Khalifa family. In Yemen, people are protesting against the autocratic rule of Ali Abdullah Saleh who has been forced to announce that he will not stand for presidency again in 2013.

Libya: Revolt against Gaddafi

In Libya, there has been a revolt against the Gaddafi regime. The Eastern part of Libya which includes the second city Benghazi has come under the control of the opposition forces. Col. Gaddafi had come to power through a military coup in 1969 which overthrew the king. In the 1970s Libya steered a progressive course opposed to the US and western imperialism, nationalizing its oil industry and supporting the liberation struggles in Africa. Subsequently, the regime became more and more authoritarian and Gaddafi and his sons and coterie began to monopolise power and the economic resources. After the September 2001 terrorist attack in the US and the declaration of the "war on terror", Gaddafi began to change course. In 2005, he made up with the United States and the West, dismantling his nuclear installations and allowing western oil companies and multinationals to come into Libya in a big way.

Sections of the army, officials and diplomats have deserted the Gaddafi regime. The future of the beleaguered regime is uncertain. The US and NATO are trying to utilize the situation to intervene. Already the US and Britain are talking of arming the rebels and imposing a no-fly zone. The efforts of the US and Nato to militarily interfere should be strongly opposed.

Lebanon

Another setback for the US and Israel has been the change of government in Lebanon. The Saad al-Hariri government collapsed when the Hizbollah ministers withdrew from the ministry. This was done to preempt the UN mandated commission of enquiry indicting Hizbollah leaders in the assassination of former Prime Minister Rafiq Hariri. A new Prime Minister, Najib Mikati has been sworn in which is backed by the Hizbollah. The formation of a pro-Hizbollah government in Lebanon was not to the liking of the United States which was unable to do anything given the storm sweeping Tunisia and Egypt.

Global Economic Situation

Unemployment continues to remain at high levels across the advanced capitalist countries, reflecting the weakness of the economic recovery from the crisis. The unemployment rate in the US remains at 9% (January 2011) and in EU at 9.6% (December 2010). With GDP growth expected to slowdown in 2011 compared to 2010, high levels of joblessness are going to persist in the capitalist world. The advanced capitalist countries have moved away from the path of fiscal expansion adopted in the wake of the global crisis towards fiscal austerity (cutting budget deficits and public spending). The US, alongwith other advanced countries, is mounting pressure on China to reduce its export surpluses by appreciating its currency. These were manifested in the recent meetings of the G 20.

Several European countries continue to face financial difficulties, with banks and public finances under stress. Prices of oil and food articles have started rising in the global markets. Crude oil prices following the popular uprisings in the Middle East have started rising steeply. Capital flows into the developing countries have surged in recent times, given the low interest rates prevailing in the advanced countries. These financial flows are volatile and can cause turmoil in the financial markets.

Struggles in Europe

In Europe, the struggles of the working class, students and other sections of the working people have been continuing against the austerity measures instituted by the governments in the wake of the economic crisis. In Greece, there was a general strike on 15th December 2010 against the measures to curtail collective bargaining and the rights of the workers. This was the 14th general strike in the space of one year. On January 23 this year again there was a general strike which paralysed all transport and communications.

In Spain big protest marches have taken place against the proposals to raise the pension age from 65 to 67. In Italy and Netherlands, students have come out in large numbers protesting against cuts in education.

Southern Sudan

The largest country in Africa, Sudan, is going to be divided with the formation of a new State, Southern Sudan. The referendum held under UN auspices in the southern part of Sudan has resulted in 99 per cent of the people voting for secession. The president of Sudan and the ruling party have announced that they accept the decision of the referendum. Southern Sudan is Christian while Northern Sudan is Muslim. After a prolonged civil war a peace process resulted in an agreement which has led to the referendum. The oil resources are concentrated in Southern Sudan. The United States has been supporting the independence of Southern Sudan. It hopes to establish a large military base in the new country under the US-Africa Command (AFRICOM).

South Asia

Nepal: After the resignation of Madhav Kumar Nepal as the Prime Minister, a deadlock ensued about who should form the next government. After six months an agreement was reached between the Maoist leader Prachanda and the Chairman of the CPN(UML), Jhalanath Khanal. Under this agreement, the Maoists supported the candidatureship of Khanal as the Prime Minister. But after his election in the Assembly, the implementation of the seven point agreement has got bogged down in differences. So far four ministers of the Maoist party have joined the Government. It is imperative that the two parties resolve the differences so that the peace process can be carried forward. In the meantime, the UN military mission, which was entrusted the task of monitoring the arms deposited and the Maoist combatants in camps has withdrawn

since its mandate expired. The failure to carry forward the peace process and the drafting of a new Constitution will threaten the gains made by the democratic movement and the ouster of the monarchy.

Pakistan: The political situation in Pakistan has got more volatile. The PPP-led coalition government has been increasingly under strain. The assassination of the Punjab Governor Salman Taseer by one of his bodyguards is a grave pointer to how the fundamentalist forces are asserting themselves. Taseer was killed because of his forthright opposition to the blasphemy law under which a poor Christian woman was sentenced to death. The blasphemy laws are being used as a weapon to terrorise the religious minorities. The killer has been hailed publicly by not only the fundamentalist organisations but also by lawyers and other sections.

The killing of two Pakistanis in Karachi by an American, who is a covert CIA operator, has led to a face off between the US and the Pakistani authorities. The US has demanded his immediate release claiming diplomatic immunity, while he has been imprisoned and is facing murder charges in the court. The Pakistani government is unable to comply with the demand for his release given the public mood and the angry demonstrations from the religious parties.

Sri Lanka

Tensions have arisen due to the killing of two Tamil fishermen in two separate incidents by the Sri Lankan navy. Recently, 136 fishermen were arrested by the Sri Lankan naval authorities. They were later released by a court. The actions of the Sri Lankan navy have caused anger and resentment in Tamilnadu. Fishermen from Tamilnadu often stray into Sri Lankan waters while fishing. Sri Lankan Tamil fishermen have also problems regarding their fishing rights. The Central Government should ensure that the attacks on Tamilnadu fishermen by the Sri Lankan navy are stopped. It is necessary for both countries to ensure that there is an amicable settlement of the problem and fishermen from both sides are not subjected to harassment and difficulties.

NATIONAL

Corruption under UPA Regime

The issue of high level corruption came on to the centre-stage during the last three months. The stubborn refusal of the UPA government to appoint a Joint Parliamentary Committee enquiry into the 2G Spectrum scandal led to the disruption of the entire winter session of parliament. It was only agreeable to have the Public Accounts Committee go into the CAG report and attaching an investigative agency to assist it. The Supreme Court in the meantime directed the CBI to expedite the investigation into the 2G scam and to submit a report to the Court on the progress periodically. In the meantime, the Supreme Court pulled up the CBI for the tardy progress in the investigation. Despite the CAG report and the Supreme Court intervention, the new telecom minister, Kapil Sibal, came out with a brazen statement denying the findings of the CAG report and stating that no loss of revenue had occurred. Faced with mounting outcry and the Supreme Court intervention the Prime Minister was compelled to get the resignation of A Raja. He was subsequently arrested by the CBI.

On the eve of the Budget session, the government was compelled to accept the demand of an enquiry by the JPC. The way the Congress-led government had dealt with the 2G Spectrum scam has only raised questions in the people's minds about how the Prime Minister and the government has sought to cover up this huge corruption scandal. The inaction of the Prime Minister in not acting to check the telecom minister's wrong doing has dented his image.

As noted in the Political Report adopted in the last Central Committee meeting, the 2G Spectrum scam is a prime example of the nexus between big business and politicians and bureaucrats. It is essential that the corporates who have bribed their way to get licences are also brought to book. The UPA government is attempting to shield the big corporates.

In the recent period, another deal entered into by the ISRO's commercial company, Antrix with a private foreign held company, Devas has also been exposed by the media. By this contract, ISRO-Antrix had agreed to launch two satellites for the use of Devas and allotted 70 MHz S Band spectrum for their use. This "sweetheart deal" was negotiated initially with an American company which set up the Indian concern. Despite the Space Commission recommending the annulment of the agreement in July 2010, no steps were taken. It is only after the media exposure and the

questions raised by the opposition that the cabinet decided to annul the agreement in February this year.

The spate of corruption scandals like the CWG games corruption, the Adarsh Housing scam and the Spectrum allocation scandals have tarnished the image of the UPA government and the Congress party.

We have to continue our campaign against the corruption institutionalized under the neo-liberal regime which is also an onslaught on the livelihood and the rights of the people.

Food Inflation

The other major failure of the UPA government has been its total inability to curb price rise particularly of food items. Inflation continues to remain high, with the annual WPI inflation rate standing at 8.2 per cent in January 2011 and food inflation at 15.6 per cent. This implies that the food price index has risen by a further 15 per cent from January 2010 to January 2011. This relentless rise in food prices over the past two years have belied all claims of controlling inflation, made by the Government.

It is now being officially argued that inflation is a result of high GDP growth and food inflation reflects the growing economic prosperity and purchasing power of the Indian people. Such devious logic overlooks the fact that income and consumption growth in India is highly concentrated in the top 10-15 per cent of the country's population. In fact, per capita foodgrain availability fell from 165 kg in 2008-09 to 161 kg in 2009-10, despite GDP growing in those years at 6.8 per cent and 8 per cent respectively. Rising consumption of the upper classes is therefore happening at the cost of a consumption squeeze of the poor.

High food inflation in India is an outcome of a structural impasse. Peasant agriculture has been in a crisis since long and agricultural productivity has stagnated. In this backdrop, increased penetration of private capital in the food economy has led to reckless profiteering by trader cartels through myriad channels, from hoarding and black marketing, windfalls gains through exports and imports, and speculation in the commodity futures market. Targeting has considerably weakened the PDS, which has eroded the capacity of the state to control or influence market prices. The reluctance of the Government to supply foodgrains at subsidised prices have led to a massive build up of food stocks, which stood at 48.4 million tons in December 2010 (against minimum buffer norms

of 25 million tons). This has increased the economic cost of grain storage and added to the food subsidy bill, besides leading to wastage and rotting of foodgrains.

The way out of this impasse lies in reviving the productivity of peasant agriculture through enhanced state support and ensuring food security through a universal PDS. However, the Food Security legislation is still not been finalized due to differences within the government. The neo-liberal thrust in food policies aim to roll back state intervention and facilitate a takeover of food production and distribution by domestic big corporates and MNCs under the garb of 'a second green revolution'. The recommendations of the Economic Survey 2010-11 to allow FDI in retail trade and replacement of the system of subsidised food through PDS with direct cash transfers, lays down this neo-liberal agenda.

Not only will such corporate takeover of the food economy fail to curb food prices, but also spell ruin for the millions of small peasants and unorganised retailers. Resistance against this neo-liberal onslaught and the struggle for ensuring a universal PDS through public subsidies and enhancing state support for agriculture therefore becomes the most crucial battle in the backdrop of high food inflation.

Agrarian Issues

The Government is complacent about the agrarian situation, citing the 5.4 per cent agricultural growth registered in 2010-11. However, this has come after two consecutive years of agricultural stagnation; agriculture grew by -0.1 per cent in 2008-09 and 0.4 per cent in 2009-10. Overall agricultural growth has been 2.8 per cent during the first four years of the 11th five year plan, thereby ruling out the meeting of the plan target of 4 per cent growth.

Gross capital formation in agriculture has remained at the level of 2.5-3 per cent of GDP during the 11th plan period. The recommendations of the National Farmers' Commission to make peasant agriculture viable by ensuring remunerative prices, providing quality inputs at affordable prices and cheap credit, and creating adequate storage and marketing infrastructure, have been largely ignored by the Government. Peasant distress and suicides have therefore continued.

Neo-liberal policies continue unabated. The moves to deregulate fertiliser and fuel prices have increased input costs. The Seed Bill, which seeks to strengthen the monopoly of seed companies, is also on the anvil. After signing the FTA with ASEAN, the Government is

now negotiating a FTA with the EU, which will adversely affect the dairy and animal husbandry sector.

Union Budget 2011

The Union Budget 2011-12 has totally failed to address the serious problem of high inflation and relentless rise of food and fuel prices. There is a cut in subsidies on fuel (Rs. 15000 crore), fertiliser (Rs. 4900 crore) and food (by Rs. 27 crore). While Rs. 11500 crore in direct tax relief has been provided to corporate and income tax payers, an additional Rs. 11300 crore indirect tax burden has been imposed on the ordinary citizens. Surcharge on corporates has been reduced from 7.5 per cent to 5 per cent. Total tax concessions reached over Rs. 5 lakh crore in 2010-11, with corporate tax exemptions totaling over Rs. 88000 crore. The tax-GDP ratio, which had reached almost 12 per cent in 2007-08, has declined to around 10 per cent in the current Budget.

With resource mobilisation taking a back seat, Plan Expenditure as percentage of GDP in 2011-12 will decrease from what was spent last year. The Budget Support for the Central Plan in 2011-12 has increased by only 12 per cent over 2010-11, while nominal GDP has increased by 14 per cent. Such squeeze in real expenditure marks all the major developmental heads. The allocation for NREGS has fallen by Rs. 100 crore, despite a claimed increase in the wages. The budget provision for the Agriculture Department has been cut from last year. The allocations for the welfare of women, minorities, dalits and tribals are thoroughly inadequate.

The cash transfer scheme announced for kerosene, food and fertilizers in lieu of subsidies will not benefit the people and further add to the exclusion of deserving sections. (see separate note on this). FIIs have been allowed to invest in mutual funds and the ceiling on investment in corporate bonds increased.

The announcement of impending legislations directed at liberalizing the sensitive financial sectors like insurance, banking and pension funds and setting of a Rs. 40000 crore disinvestment target shows the UPA-II Government's pursuit of an aggressive neo-liberal agenda.

Railway Budget 2011

The Railway Budget is aimed at window dressing the pathetic state of Railway finances. There is no increase in freight earnings this year despite GDP growing at over 8 per cent. The operating ratio of 92.1 mentioned in the Budget for 2010-11 is not a credible estimate

and conceals the much higher actual operating ratio. The Railways is actually facing a financial crisis, which is being covered up through higher borrowings and support from the Finance Ministry.

The Railway Budget of 2010 had announced numerous projects, from world class stations, to railway coach and loco factories, wagon and axle units, power plants, auto hubs, sports complexes, hospitals and so on. It is clear from Budget 2011, that these announcements were mere gimmicks which have either been recycled this year or conveniently forgotten. 216 persons died in railway accidents over the past one year, reflecting the dismal safety record. 1.75 lakh Group C and D posts in railways and 13000 posts in RPF are lying vacant. Total employee strength of the Indian Railways has come down by 24600 between March 2009 to March 2010 as per the Indian Railways Annual report 2009-10. The Indian Railways is on a ruinous path under the present Railway Minister.

Black Money

The issue of illicit funds stashed in offshore tax havens has to the fore in recent times. A recent report by Global Financial Integrity (November 2010), authored by a former IMF economist estimated that India lost \$213 billion (Rs. 9.6 lakh crore) in capital flight between 1948 and 2008, whose present value will be at least \$462 billion (Rs. 20.8 lakh crore). It is imperative that the details of these accounts opened by Indians are sought from the foreign banks and made public. The list of accountholders in the Liechtenstein banks, shared by the German authorities with the Indian government, is only a tip of the iceberg. The main accounts are held in Switzerland. This unaccounted and ill-gotten wealth, amassed through tax evasion, money laundering and other illegal means, parked in these Swiss Bank accounts should be directly confiscated by the Indian government. These funds should be brought back to India and used to fund public projects.

The measures announced in the Budget 2011 on tackling black money and illicit fund flows are grossly inadequate. The Government must launch a drive to unearth black money, especially those stashed in Swiss Banks and other offshore tax havens. The Mauritius route must be plugged by scrapping the Double Taxation Avoidance Agreement with Mauritius. Participatory Notes used by the Foreign Institutional Investors (FIIs) must be prohibited.

Extremist Hindutva Terror

As noted in the last CC report, the arrest of Swami Asemanand who was absconding, was an important step in uncovering the whole

network of Hindutva extremist groups who had resorted to terrorist violence. Aseemanand gave a 26 page confession before a magistrate in which he has not only confirmed the links with the Malegaon, Ajmer Sharief and Mecca Masjid blasts but also accepted the involvement of the Hindutva groups in the Samjhauta Express blasts in which 68 people mainly Pakistani citizens were killed.

The RSS which had held a protest day in November 2010 all over the country alleging false implication of Hindu religious figures in terrorism, has now been forced to backtrack. The RSS Chief, Mohan Bhagwat has in a speech admitted that some extremist elements were there in the Sangh. According to him, some of them left the organisation on their own and others were asked to leave. The exposure of the Hindutva terror link must be used effectively to counter the Hindutva communal forces. We should also demand the immediate release of those Muslim youth who have been falsely implicated in such cases as in the Malegaon blast case.

Srikrishna Committee Report

The Justice Srikrishna Committee submitted its report on December 30, 2010. The committee was asked to examine the situation in the state of Andhra Pradesh with reference to the demand for a separate state of Telangana as well as the demand for maintaining the present status of a united Andhra Pradesh.

The committee has put forward six possible options. Out of these, the committee itself has ruled out three options as impractical and the fourth as being difficult to reach a political consensus. Out of the remaining two, the committee prefers the sixth option which is keeping the state united and simultaneously providing constitutional/statutory measures for the Telangana region, i.e., creation of a statutorily empowered Telangana Regional Council. The committee found this is the most workable option and in the best interest of the social and economic welfare of all the three regions.

The committee has stated that the second best option would be the bifurcation of the state into Telangana and Seemandhra with Hyderabad as the capital of Telangana and Seemandhra to have a new capital. The committee felt while creation of a separate Telangana would satisfy a large number of people from the region, it will also throw up several other serious problems.

Our Party has consistently maintained that the states which were linguistically reorganized should not be broken up. The main

assessment of the Srikrishna Committee report is closer to the position taken by the Party.

The Central Government has not stated its position on the Srikrishna committee report. In the meantime the agitation for the separate state of Telengana has been revived. There was a two-day bandh on February 22-23 in support of Telengana. The opportunistic position and inaction of the Congress leadership and the Central Government is the main cause for the present chaotic situation.

Talks with ULFA

The ULFA leadership, most of whom were in jail, were released after they indicated that they were ready for talks without preconditions. The General Council of the ULFA met and decided to enter into negotiations. They gave up their earlier insistence that sovereignty should be discussed. Only Paresh Barauh, the chief of the military wing, who is reported to be in Myanmar, has opposed the talks. A delegation led by Arabinda Rajikhowa, Chairman of the ULFA came to Delhi and met the Union Home Minister. It was decided in the meeting to set up a seven-member group to discuss the modalities of the peace process. The group would consist of three members of the ULFA, two from the Central Government and two from the state government. The beginning of negotiations with the ULFA, the biggest insurgent group in the North East after the NSCN is an encouraging development. The Central Government should initiate talks with the other extremist groups which are still operating in Assam.

External Affairs

Consequent to the Obama visit, the government has been taking more steps which are in line with the demand of the United States to isolate Iran. India has signed an agreement for a gas pipeline from Turkmenistan through Afghanistan and Pakistan (TAPI). This pipeline is being sponsored by the United States and the Nato. On the other hand the Iran-Pakistan-India pipeline (IPI) has been scuttled. Iran has gone ahead and signed the project with only Pakistan. Following this, the RBI has decided to stop Indian companies using the Asian Clearing Union to process payments for India's purchases of oil and gas from Iran. India is importing 12 per cent of its oil from Iran. The United States has imposed sanctions on companies doing trade with Iran which are far more than the United Nations sanctions. By abjuring the Asian Clearing Union route, India damaged its own interests. It was compelled to negotiate with Iran to make alternative arrangements for payments.

The Wikileaks cables from the US Embassy in India to the US State Department reveal India's growing proximity with the USA in foreign policy. One of the cables sent by a US Embassy official states that India and the United States are coordinating their foreign policy though Indian officials are "loathe to admit it publicly".

Attacks on Women

There has been a sharp increase in attacks on women in different parts of the country. Rapes of dalit women in UP; sexual assaults on minor girls in various places and assaults on working women traveling in trains and in public places. Apart from firm action against the culprits, it is necessary that laws concerning such violence be enacted or strengthened. These include the Child Protection Act, Sexual Assault Act and the enactment of the Sexual Harassment in the Workplace with necessary amendments. The Party should rouse public opinion against such violence against women and demand stringent action against the offenders.

Workers March to Parliament

Lakhs of workers participated in the March to Parliament held on February 23 at the call of the central trade unions and federations of employees. A notable feature was the participation of a large number of women workers. The response to the march shows the deep discontent and anger among the workers about the anti-working class policies of the government, the failure to curb prices and the non-implementation of labour laws.

West Bengal

In the last Central Committee meeting we had noted the significant development of the popular protests and the resistance of the people against the Maoists in the Jangalmahal area. Though the Maoists continue to target and kill CPI(M) and Forward Bloc cadres, they have failed to disrupt the party's work among the people. Till February 21 380 members and supports of the CPI(M) and the Left Front were killed by the TMC combine and the Maoists. Of those killed more than 125 are adivasis.

During this period more evidence about the Maoist-TMC collaboration came out. A book written by a sitting Trinamul MP cited instances of such collaboration. A Trinamul Congress leader was arrested in Cuttack for taking two injured Maoists from West Midnapur district for treatment to a hospital there. A letter written to Mamata Banerjee by a Maoist leader offering support was released to the media. The Union Home Minister instead of taking

action against the TMC-Maoist collaboration, wrote to the Chief Minister accusing the CPI(M) of having armed cadres and fomenting violence. The Party and the Left Front have been conducting a vigorous political campaign among the people in the past few months. Rallies held in all the districts have seen a big response from the people. The February 13 Brigade rally saw a huge turnout with lakhs of people attending.

Kerala

The recent period has seen exposure of corruption and wrongdoing by the leaders of parties belonging to the UDF. The sex scandal involving an IUML leader, Kunhalikutty has once again surfaced. Allegations about how the case was hushed up, by a relative of Kunhalikutty has led to the revival of an investigation into the matter. Another leader of the UDF, Balakrishna Pillai of the Kerala Congress (B) has been sentenced to one year imprisonment for corruption while he was a minister in the 1980s by the Supreme Court. The High Court had earlier acquitted him on an appeal against the lower court decision. Another Congress MP has alleged that a bribe was given to a Supreme Court judge in his presence to get a verdict in favour of bar owners in the state during the period of an earlier UDF government. These exposures have only confirmed that whenever there is a Congress regime, whether it is in the Centre or the state, corruption is rife.

Political Situation

There has been an appreciable change in the political situation compared to the period six months ago when the extended meeting of the Central Committee was held in August 2010. The UPA government's image has been dented by both large scale corruption and the relentless price rise. The magnitude of the 2G spectrum scam and the spate of corruption scandals have had an adverse impact among the middle classes in particular. The UPA government is seen to be drifting with no clear direction. Often ministers speak in different voices and the differences between the Prime Minister and the government on the one hand and the National Advisory Council headed by Sonia Gandhi on issues of food security, minimum wages for MNREGA, dilution of the RTI Act etc are evident.

Congress Party

The Congress party's image has also suffered due to the large scale corruption. In the AICC plenary session held near Delhi in December 2010, the Congress leadership tried to put up a brave face by

claiming that it would combat corruption at all levels. It claimed that it is the only party which has taken action even when the corruption charges were not proved by asking its ministers and chief minister to resign.

The poor performance in Bihar and the split in the Congress in Andhra Pradesh have added to the difficulties for the party. In Andhra Pradesh, Jaganmohan Reddy, son of Y Rajasekara Reddy has launched a new party. Twenty-two Congress MLAs and 3 MPs are with him. He was able to rally a section of the Congress in the coastal and Rayalseema districts. In order to meet the situation, the Congress has now got Chiranjeevi's Praja Rajyam to merge with it.

BJP

The BJP saw the corruption issue as an opportunity to mount an offensive against the Congress. At its national executive meeting in Guwahati, corruption was made the main plank against the UPA government and the Congress leadership. However, the BJP has refused to act against the Karnataka Chief Minister Yediyaruppa who is facing serious charges of corruption. The BJP president's plea that Yediyaruppa may have done something immoral but it is not illegal exposes the hypocrisy of the BJP with regard to corruption in high places.

After the Bihar election results, the BJP got a boost. It is trying to woo other parties in the opposition to try and broaden the NDA by seeking a common platform against corruption. So far it has failed to mobilize other non-Congress secular parties to join it.

The BJP has been taking a vocal stand against any efforts for a dialogue in Kashmir and for a political solution based on provision of autonomy. It has been portraying all efforts of the government for a dialogue as appeasement of pro-Pak elements. With this in view, the BJP youth wing launched a *Rashtriya Ekta Yatra* to hoist the national flag at Srinagar on Republic Day. The yatra was stopped at the borders of the state and their leaders prevented from proceeding to Srinagar.

The CPI(M) and the Left parties have been cooperating with the other secular opposition parties like the AIADMK, TDP, BJD, JD(S) and the RLD inside parliament and outside on some policy issues and issues concerning the people. These nine parties gave a joint call to observe an anti-price rise week between February 3 and 9. The week long agitation culminated in a mass dharna in New Delhi. We should continue to cooperate with the non-Congress secular

parties inside parliament and undertake joint actions on people's issues whenever required.

Assembly Elections

The assembly elections in West Bengal and Kerala are before us. The coming period is a crucial one for the Party and the Left. We have to enter the electoral battle against an array of opponents who represent the interests of the ruling classes. We have to expose the disruptive politics and reactionary character of the TMC-led combine and its unscrupulous alliance with the Maoists. We have to counter the Congress-led UDF and its shameless resort to caste and communal politics. We have to project the gains of the working people under the Left Front government in West Bengal and the LDF government in Kerala. These Left-led governments have an important role in the Left and democratic movement of the country.

Price rise, rampant corruption and the anti-people policies of the Congress-led UPA government have led to discontent and erosion of support to the government. The TMC-Congress combine in West Bengal and the UDF in Kerala would like to cover up the fact that the sufferings of the people due to the price rise, unemployment and massive corruption are engendered by the policies and acts of the Congress-led government at the Centre. We have to arouse the people against the misdeeds of the Congress-led coalition government in which the TMC and the UDF partners are also responsible as they are part of the UPA government at the Centre. We have to marshal all our resources to fight this electoral battle and emerge successful.

In the elections to Tamilnadu and Puducherry, we have to work for the defeat of the DMK-led alliance in cooperation with the AIADMK and its allies. In Assam, the Left parties should unitedly fight the elections against the Congress and the BJP.

In the coming period, apart from our concentration on the assembly elections, the Party should take up the major problems affecting the people: the continuing spiral in prices of food items and essential commodities, the struggle for a universal PDS and food security; proper implementation of the MNREGA; fight against disinvestment in public sector enterprises and opposition to FDI in retail and the further opening up of the financial sector to foreign capital.