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COMMUNIST PARTY OF INDIA (MARXIST)

Central Committee

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Report on Political Developments (Adopted at the Central Committee Meeting May 11-12, 2013)

International Situation

The precariousness of the global economic recovery in 2013 became evident when the IMF in its World Economic Outlook reduced the forecast of the world output growth further from 3.5 to 3.3 per cent. This is the second downgrading of the growth forecast.

Eurozone Crisis

The Eurozone saw another financial crisis erupting, this time in Cyprus. Some of the biggest banks became victim to the crisis due to their exposure to loans to Greece and to the private sector. The troika consisting of the European Commission, the IMF and the European Central Bank worked out a bail out plan which involved stringent conditionalities and austerity measures. Anyone with an account in a bank holding more than 100,000 Euros would have around 40 per cent of their deposit converted into bank shares. What these shares would be worth in the future no one knows. The Cyprus crisis is a clear warning of the perilous state of the Eurozone. Germany which is the biggest economic power house in the European Union and which had so far been unaffected has now shown signs of slipping into recession. Overall the Eurozone is expected to contract by 0.4 per cent in 2013.

The disastrous affects of austerity measures and the recession is manifesting itself in rising unemployment figures. Spain reported unemployment at a record level of 27.2 per cent. According to the OECD, youth unemployment has become a permanent problem. 26 million youth of 15 to 24 years in the developed countries are not in employment, education or training. Young people without job has risen by 30 per cent since 2007.

Right wing forces are exploiting such a situation. There is a visible rise in xenophobia, anti-immigration rhetoric and attacks on foreign workers in Greece, Italy, Britain, Netherlands and other countries.

Iraq: Ten Years after Invasion

March 19, 2013 marked the 10th anniversary of the invasion and occupation of Iraq by the United States and its allies. Over a million Iraqis died in the last one decade. After a decade, Iraq today is plagued by sectarian clashes, wave of car bombings and the unity of Iraq under growing strains. Armed Sunni forces linked to the Syrian opposition are engaged in clashes with the forces of the Shiite-led Iraqi government. The Kurd areas of Northern Iraq have in fact become autonomous of the central authority. The oil resources of the country are being plundered by the multinational companies.

Another country which saw NATO intervention, Libya, seems to be heading in the same direction with armed rebel groups who fought against Gaddafi carving out their spheres of influence. Here too western oil companies have moved in to sign lucrative contracts to extract oil.

Syria: Growing NATO-Israel Intervention

The deadly civil war in Syria is being systematically stoked by the coalition of NATO and the Gulf Sheikdoms like Saudi Arabia and Qatar. The CIA is helping in arms supplies to the rebel forces which are now dominated by Islamist organisations. The collaboration of imperialism with the Islamist forces is growing. Britain, France and Israel have accused the Assad regime of using chemical weapons and the US is on the verge of escalating its intervention on this unverified charged. This is reminiscent of the "Weapons of Mass Destruction" discovered in Iraq which formed the pretext for the US-NATO invasion. As against the active intervention of the Gulf states and Turkey, the Hezbollah of Lebanon have declared their resolve to fight alongside the Syrian army and to protect the Shiite minorities on the borders of Syria. Israel has launched missile attacks on Syrian military installations and convoys twice in the last three months. It is utilising the conflict situation in Syria to try and destabilise the country. The conflict is inexorably drawing in Lebanon, Iraq and Jordan into the fighting. Unless the diplomatic efforts involving the major countries in the region and the US and Russia make progress, the conflict can destabilise the whole region.

NATO's intervention has also spread in the North African region. After Libya, it was the turn of Mali to see French troops intervene to

fight the Islamist forces which had taken over parts of Northern Mali. The United States provided technical-military support for the French invasion. The US African Command (AFRICOM) is seeking to expand its base and ambit of influence. These recent events underline how imperialism is determined to dominate the Arab and Northern African region and maintain its hegemony over its oil and natural resources.

Latin America

The Left and progressive forces suffered an unexpected setback in the death of President Hugo Chavez of Venezuela who succumbed after a two year battle against cancer. Chavez had won the presidential election only five months earlier in October 2012 but he could not be sworn into office due to his illness. The death of Chavez saw the united expression of grief by the Latin American countries.

Nicolas Maduro, the Vice President, was chosen by Chavez to succeed him fight the elections for the presidency which was held on April 14. It was widely expected that Maduro would win the election with a big majority. However, he won with a narrow margin of 1.44 per cent, polling 50.6 per cent of the vote. The rightwing opposition candidate Capriles did better than expected. The absence of the charismatic figure of Chavez saw a drop in the support for the ruling United Socialist Party. Further, the united opposition adopted changed tactics wherein they pledged to carry on with Chavez's social missions and usher in a Centre Left Social Democratic regime. The opposition refused to accept the results of the election and there were violent clashes. Maduro has been recognized and supported by all the Latin American countries including forums like the UNISAR and CELAC. Given the sharp division, the Maduro presidency and the Left face a major challenge in consolidating and going ahead with the Bolivarian revolutionary process.

Tensions in Korean Peninsula

The UN Security Council imposed another round of sanctions against the DRPK after it conducted a satellite launch and a nuclear test. The United States embarked on a joint military exercise with South Korea and sent two of its stealth bombers from the US to participate in the exercise. North Korea strongly responded to the sanctions and the military exercises. It ended the Armistice agreement and severed all economic links including the shutting down of the Special Economic Zone in Kaesong. There were reports of North Korea preparing for another nuclear test. The People's Republic of

China publicly criticized the missile test and asked both countries to exercise restraint. Fidel Castro in a rare public statement warned against a nuclear war and appealed to North Korea to consider the dangerous consequences for its people and the region. The diplomatic efforts made mainly through China and Russia have helped to lower the tensions.

South Asian Region

Pakistan

Elections to the National Assembly in Pakistan were held on May 11, 2013. The PML(N) has won the elections and Nawaz Sharief is set to be the Prime Minister. For the first time a civilian government could complete its term in office. These elections have effected a democratic transition. The return of the former ruler, Gen. Musharraf to Pakistan to contest the elections led to his arrest and detention. He was disqualified from contesting the constituencies where he filed his nomination. The people have come out in large numbers and voted despite the extremist threats and terrorist violence.

There is no let up in the sectarian strife and the extremist attacks. Suicide bombings have claimed a number of lives in Balochistan, Kyber Pakthunwa and in Karachi. This alongwith the election related violence has claimed hundreds of lives.

Nepal

After a prolonged stalemate finally an agreement was reached between the four major parties, the UCPN(Maoist), the Nepali Congress and the CPN(UML) and the Madhesi Party to form a caretaker government with the Chief Justice of the Supreme Court as the Prime Minister to oversee the elections to the constituent assembly. Elections are to be held by the end of June. As a result, Baburam Bhattarai resigned as the Prime Minister and the Chief Justice has assumed office. Those who split away from the Maoist party and some other smaller parties have opposed this arrangement. After the election results of the Constituent Assembly, the process of finalizing the new constitution has to be resumed. How smooth this process will be will depend on the nature of the results of the elections.

Bangladesh

Since our last CC meeting, major developments have taken place in Bangladesh leading to intense confrontation between democratic

secular forces on the one hand and the Islamists on the other. The genesis of this confrontation can be traced back to the events played out during the Liberation War of the country.

The barbarity of the razakars and their war crimes and the fact that they had gone unpunished became a major electoral issue in the run up to the last elections. Awami League had made a commitment that they will set up a tribunal and these perpetrators will be tried. The tribunal set up in 2010 found some of the razakars who were also leaders of the Jamaat guilty of the crimes they were charged and were sentenced to death. But in one of the verdicts the tribunal handed out a life sentence instead of a death sentence to one of the notorious war criminals Quader Mollah.

This acted as the trigger for a huge popular upsurge led by the younger generation demanding death penalty for Mollah. While the specific demand pertained to the death penalty, but underlying the demand was actually an assertion for reinforcing the secular nationalist language based Bangladeshi nationhood as opposed to a religious identity based distortion. The most heartening feature was that this movement has been led largely by young Bangladeshis across the country and the diaspora all over the world. This forced the government to bring amendment to the Tribunal Act enabling the possibility of appeal.

While there was this consolidation of the nationalist secular forces, the Islamists led by the Jamaat-e-Islami were also not prepared to surrender. They reacted with a campaign of violence supported by their overseas backers. The shadow of international politics particularly that in West Asia where Islamists are hell bent to marginalize secular forces was acutely manifest in the developments in Bangladesh. The confrontation has also led to widespread violence. In fact this struggle for asserting and consolidating linguistic secular nationalism in Bangladesh popularly referred to as the Shahbagh movement as this square in Dacca became the epicenter of the struggle, has evoked great support and has created conditions for expression of solidarity.

Now an umbrella organisation Hefazat-e-Islam has been launched to coordinate the activities of all Islamist groups and is currently spearheading their counter offensive.

The activities of the Islamic fundamentalist is having its impact across the border in India too. In West Bengal also Islamic fundamentalist groups have become active taking up the cause of the Bangladeshi fundamentalist forces. This will have its repercussions on the communal situation.

The collapse of a building housing garment factories has led to the death of 1127 garment workers. This shocking tragedy has brought out the plight of garment workers who work in sweat shops producing goods for western chain stores. The Bangladesh government should take immediate steps to ensure the safety at the work place, adequate wages and social security for the workers.

Sri Lanka

There has been no progress towards a political settlement on the Tamil question in Sri Lanka. On the contrary, President Rajapakse declared in February that autonomy based on ethnic identity cannot be granted as it would harm unity of Sri Lanka. Earlier, Rajapakse had gone back on the commitment that he would consider a 13th amendment plus proposal for devolution of powers. This approach has come in the background of the UN Human Rights Council adopting a resolution urging Sri Lanka to implement the recommendations of the Lessons Learnt and Reconciliation Commission (LLRC) and take steps for a political solution to the Tamil question. Sri Lanka has rejected the resolution calling it an interference in its sovereign affairs. The Government of India supported this second follow up resolution at the UNHRC. The CPI(M) had asked the UPA government to raise the demand for a high level credible enquiry and to exercise its influence to get the Sri Lankan government to accept such a demand.

National Situation

Economic Situation

The economy continues to be marked by slow growth, high inflation and a growing current account deficit. The Current Account deficit has gone up to 5.46 per cent in the first three quarters of 2012-13. Industrial growth during April 2012 to February 2013 rose by only 0.9 per cent compared to the same period a year ago. The increase in imports is also contributing to the industrial stagnation.

The wholesale inflation rate in March slowed to 5.96 per cent which is the lowest in the last three years. However, as the latest RBI report on macro economic and monetary development points out that inflation is likely to stay above comfort levels even though it had been moderated in the second half of 2012-13. The Consumer Price Index however, continues to be in double digits with the

provisional figures of March being 10.39. Overall food prices show no signs of receding.

Sufficient evidence is piling up about the lack of employment growth. According to a study conducted by the Institute of Applied Human Power Resource, a think-tank of the Planning Commission, despite high growth, "employment in total and in non-agricultural sectors has not been growing". The jobless growth is "accompanied by growth in casualisation and informalisation". The research paper states that in the period 2005-10, "the manufacturing sector showed a loss of five million jobs. The services sector which saw a massive growth of jobs during 2000-05 of 18 million jobs, witnessed only 4 million additional jobs in 2005-10".

It is in this economic background that the Union Budget for 2012-13 was placed.

Union Budget

The Union budget has focused on cuts in subsidies and public expenditure in order to reduce the fiscal deficit. There is a sharp decline in petroleum subsidy of more than Rs. 30,000 crore. The food subsidy was increased by only Rs. 5,000 crore compared with the amount spent last year. The fertilizer subsidy is of the same amount as what was spent in 2011-12. All this is going to result in big cuts in public expenditure and squeeze consumption expenditure further.

The task of finding resources by taxing the rich has not been taken up seriously. The imposition of 10 per cent surcharge on the corporations and individuals with taxable incomes exceeding Rs. 1 crore will affect only a paltry 42,800 individuals and that too only for a period of one year. On the other hand, the revenue foregone in the budget amounts to Rs. 5,73,630 crore while the overall fiscal deficit is Rs. 5,20,925 crore. The budget will, thus, heap more burdens on the people.

The railway budget has effected a 5 per cent increase in freight charges across the board. Passenger fares had been raised by 20 per cent two months before the budget. The budget also increased reservation, cancellation and tatkal charges and fares of superfast trains. A fuel surcharge has been imposed which will result in fare and freight increases in the coming days.

An independent Rail Tariff Authority (RTA) has been proposed which will decide on fare and freight tariffs. This will open the way for

continuous increase in freight and passenger fares. The budget harps on PPP projects which have so far failed to yield any results.

Sugar Decontrol

Based on the Rangarajan Committee's recommendations, the UPA government has partially decontrolled the sugar industry. It has scrapped the 10 per cent levy of sugar produced by the sugar mills for distribution in the PDS. The Centre will pay an additional amount as subsidy for states to provide sugar from the market for the PDS. But this is a temporary step and is not a subsidy for the consumers use but to the mill owners. The price of sugar will rise both in the PDS and open market enabling the sugar industry to reap big profits. As in the case of decontrol of petroleum products, this will heap burdens on the people. It will also affect the sugar cane growers and the cooperatives.

India-EU FTA

The UPA government is negotiating yet another free trade agreement this time with the European Union. The intellectual property, investment and government procurement chapters of the agreement will have a negative impact on every area of economic activity – including agriculture, industry and services. The agriculture sector is likely to be affected by the dumping of subsidized agricultural products from the EU. Another sector which can be badly affected is the dairy sector. Amul, India's largest milk cooperative has expressed serious concern about the impact of dairy imports from EU as it can jeopardize the lives of 80 million farmers in India. Evidence from the trade agreements that India has already entered indicate that they worsen the country's trade deficit. For example, in the case of the agreement with Singapore a trade surplus was rapidly converted into a deficit after the signing of the FTA. The government should not conclude negotiations and proceed with the FTA. It should instead wait for the report of the parliamentary standing committee; hold public consultations with all affected groups; and conduct a parliamentary debate on the issue.

Drought

Maharashtra has been affected by largescale drought which is more acute than the worst drought in 1972. Over ten thousand villages in 186 tehsils in 13 districts in Marathwada and parts of western and central Maharashtra are affected. There is an unprecedented shortage of water and water levels in the reservoirs have gone below the danger mark. What is shocking is that the proportion of land under irrigation rose from 17.8 per cent to 17.9 per cent, an

increase of only 0.1 per cent in the decade between 2001-10. This when Rs. 70,000 crores was spent by the irrigation department which shows massive corruption and siphoning off of funds. As a result of the drought during the kharif season out of the 74 lakh hectares for foodgrains, the actual sowing was only for 56.8 lakh hectares. The Maharashtra government was totally unprepared to tackle the drought situation and whatever measures have been taken were totally inadequate. Parts of Andhra Pradesh, Karnataka and Tamilnadu also suffered from drought this year.

Violence against Women

After the widespread protests and outrage against the gangrape of a 23 year old young women and her death in Delhi, the government set up the Justice J.S. Verma Committee. This Committee submitted its report within a month's time. It was a comprehensive one with well-considered recommendations to bring about changes in the laws concerning violence against women. The government passed an ordinance only on some aspects of the recommendations. Our Party opposed this ordinance method and demanded a comprehensive Bill based on the Justice Verma Committee recommendations. We had opposed the gender neutral provisions and said that it should be directly related to assaults on women. The government has also not accepted the recommendations on inclusion of marital rape, doing away with the immunity given to security forces under the AFSPA for sexual assaults on women and enhancement of punishment for officials who do not register and pursue cases of violence against women.

The amendments to the sexual offences Bill which was finally adopted by parliament has brought in more stringent punishment for gang rapes, child rape and other sexual offences but it falls short of the holistic recommendations made by the Verma Committee.

The rape of young girls and gang rapes of women continue unabated. There have been brutal rapes of children in Delhi, Madhya Pradesh, Bihar, Rajasthan and other states. The Party has to continue its campaign against violence on women and children.

Food Security Bill

The Left parties mass signature campaign on the three demands related to food security was concluded in February and over four crore signatures were submitted to the Prime Minister by a delegation of Left parties.

The government has made many amendments to the Food Security Bill after the recommendations of the Standing Committee. It is proposing to do away with the priority and general categories. They say 75 per cent of the rural families and 50 per cent of the urban areas i.e. a total of 67 per cent of the population will be brought under the purview of the PDS. For a universal PDS at least 90 per cent of the people should be covered. Rice at Rs. 3, wheat at Rs. 2 and coarse grain at Re. 1 will be supplied and quantum of foodgrains is being reduced from 7 kg per person to 5 kg per person. This means, instead of 35 kg per family, they will get 25 kg. The Antyodaya cardholders will continue to get 35 kg foodgrains. The government is not agreeing to the demand for a universal Public Distribution System. Further the quantum is being reduced to 25 kg and the price of rice is fixed at Re. 1 more. We should continue the campaign for our demands.

Land Acquisition Bill

The Land Acquisition, Rehabilitation and Resettlement Bill which the government is seeking to adopt in parliament is a flawed one. The major flaw is that it exempts 13 laws from the purview of the Bill. These include the Indian Railways Act, National Highways Act, Land Acquisition (Mines) Act, Coal-Bearing Areas Acquisition and Development Act etc., under which the bulk of the land acquisition takes place. The definition of "public purpose" is also wide which includes acquisition of land for private companies; there is no need for consent of those affected when land is acquired for government purposes; all the people affected like tenants, agricultural workers, are not entitled to compensation; some of the provisions of the Bill are against the interests of the adivasis. Without amending these provisions, the Land Acquisition Bill will not serve the purpose of protecting the interests of the land owners and those dependent on land.

J& K Situation

Afzal Guru who was convicted in the Parliament attack case was hanged on February 8, 2013. The execution took place within days of the President rejecting the mercy petition filed by his wife. Neither Afzal Guru nor his family was given time to appeal to the court on the rejection of the mercy petition. The execution has led to widespread protests in the Kashmir valley, which was put under curfew for a week after the hanging. The J&K Chief Minister Omar Abdullah and the leader of the PDP Mufti Mohd. Sayeed have asked the central government to return the body of Afzal Guru for burial in Srinagar.

The situation in Jammu & Kashmir has deteriorated since the hanging. The separatist Hurriyat led by Geelani has resumed the timetable of protests. There has been a militant attack which has killed CRPF men in Srinagar. The shooting of a young man by a CPRF patrol has led to protests.

Bomb Blasts

There was a bomb blast in Dilsukhnagar in Hyderabad on February 21 causing the death of 18 people and injuries to scores of others. In March there were two blasts in Bengaluru near the BJP office. Some people suffered injuries though there were no fatalities. These blasts are a disturbing reminder that extremist forces are still active and trying to utilise any opportunity to strike in crowded places.

High Level Corruption

The Agusta-Westland helicopter deal involves purchase of 12 helicopters for VVIPs use. The Italian authorities have investigated the bribery involved in this purchase by the Italian company, Finmeccanica. The CEO has been arrested. It has been found that at least Rs. 364 crores have been paid to middlemen and Indian contracts. The investigation conducted by the CBI has resulted in the arrest of the former Chief of Staff Tyagi, some of his relatives and heads of some Indian companies. In order to have a proper enquiry without political pressures and influences being exercised, the CPI(M) had demanded that the investigation be conducted under the supervision of the Supreme Court.

The UPA government has not learnt any lesson from the spate of corruption cases. It is still attempting to cover up and protect some of the guilty persons. A controversy erupted after it was found that the Law Minister, Ashwani Kumar, had called a meeting in his office with the CBI Director and the law officials along with the joint secretaries of the PMO and the coal ministry. This was done prior to the CBI having to submit a status report on the coal block allocation case to the Supreme Court. The Law Minister suggested changes in the draft report. After the CBI Director admitted to the Supreme Court that such a meeting was held, the continuance of the Law Minister became untenable.

In the Joint Parliamentary Committee set up to enquire into the 2G Spectrum scan, the Congress members have adopted an obstructive stand. They refused the request to call the Prime Minister, the Finance Minister and the accused A. Raja before the committee. The JPC Chairman has prepared a draft report which is totally one-sided

and brazen. 15 members of the Committee belonging to the opposition have called for the rejection of the report.

The latest corruption scandal to hit the UPA government is the arrest of the nephew of the Railway Minister, Pawan Kumar Bansal on the charge of receiving Rs. 90 lakh from a high level railway official for being posted as a member of the Railway Board. The CBI has arrested the railway official and the intermediaries concerned. The bribe to be paid was Rs. 2 crore.

The Congress was compelled to force the resignation of both these ministers subsequently as it became impossible for them to continue in government.

The role of the Prime Minister and the PMO in the corruption cases such as the coal block allocation and the 2G Spectrum decisions have come into focus. The manner in which the PMO was involved in the coal block allocation while he was the minister in charge, the efforts to change the status report of the CBI to the Supreme Court in which an official of the PMO was involved and his initial refusal to remove Ashwani Kumar and Pawan Kumar Bansal – all have tarnished his image.

Indo-China Border Tensions

The issue of Chinese soldiers entering across the Line of Actual Control near Daulat Beg Oldi in Ladhak was whipped up to create tensions by some of the opposition parties like the BJP and the Samajwadi Party and sections of the corporate media. It is well known that the Line of Actual Control is not a clearly demarcated line in parts of Ladhak and other areas. In the joint efforts by India and China to settle the border dispute, agreements were reached between the two governments to manage problems that would arise on the border that is called the Line of Actual Control. In September 1993, the two governments signed an agreement "On the Maintenance of Peace and Tranquility along the Line of Control in the India China Border Areas". This set out the steps to be taken to resolve the issues on the Line of Actual Control and maintain peace and tranquility on the border.

Subsequently, in November 1996, the two governments signed an agreement "On Confidence Building Measures in the Military Field along the Line of Actual Control in the India China Border Areas". This agreement lays out in a detailed fashion what are the steps both sides should take at the military level to avoid any confrontation or conflicts. It is this agreement which provides the basis for resolving the current stand off. The effort to rouse

jingoistic and ultra nationalist feelings from various quarters should be rebuffed. The UPA government adopted a restrained stand knowing that such problems can be resolved through talks spelt out in the above mentioned agreements.

Our Party took the stand that the problem should be sorted out through talks and stated that the efforts to raise tensions on the matter will be against the interests of both countries whose relations have been improving. After several rounds of talks by the army authorities on both sides, the matter has been settled. Both sides have withdrawn their troops to pre-April 15 positions.

Two-Day General Strike

The two-day general strike held by the Central Trade Unions on February 20-21 was a big success. This was the first two-day general strike in the history of the country. More than 10 crore workers and employees joined the strike. Despite intimidation and repression, the industrial strike was successful in West Bengal. Various sections of workers including many road transport workers and industrial workers have joined the strike in large numbers for the first time. There was a total bandh in Kerala for the two days. The strike also resulted in a bandh like situation in Tripura, Bihar and Assam. Except for the railways, the strike affected all other sectors in varying degrees. A review of the general strike should be conducted to identify in which sectors and in which places, the strike was not effective or did not take place. The Central Trade Unions have decided to continue the struggle.

Tripura Elections

The Left Front has won a resounding victory by winning fifty out of the sixty seats in the assembly. This is one more seat than the last time. The Left Front was polled 52.3 per cent of the vote. The Congress could win only 10 seats and the INPT lost its sole sitting seat. The Left Front won 19 out of the 20 scheduled tribe seats and 8 out of the 10 scheduled caste seats. This victory of the CPI(M) and the Left Front for the fifth successive term has given a boost to the Left and democratic forces in the country.

West Bengal

The violence directed against the CPI(M) and the Left Front continues under the TMC regime. The death in police custody of a 23 year old SFI student leader, Sudipta Gupta, caused widespread anger and protests. Utilising an untoward incident during the protest organised in Delhi outside the Planning Commission's office

on this issue involving the Finance Minister of West Bengal, TMC unleashed a wave of violence in the state. Over one thousand Party and Left party offices were attacked, damaged or destroyed. Many comrades were injured and scores have been implicated in false cases and arrested. Using the pretext of the Delhi incident, the TMC has sought to divert attention from the custodial death of Sudipta Gupta.

Soon after this, the Saradha group collapsed and the chit fund scandal emerged. The TMC was hand in glove with the Saradha group to set up various media outlets like newspapers and TV channels, purpose of which was to attack the CPI(M) and the Left Front in the run up to the assembly elections in 2011. The involvement of top TMC leaders and MPs in the Saradha group ventures is well known. Despite this, Mamata Banerjee is trying to shelter the guilty and is refusing to order a CBI probe into the scandal, which has affected lakhs of people who have lost all their savings and deposits.

The TMC government is also responsible for postponing the holding of the panchayat elections. It refused to accept the recommendations of the State Election Commission for a three phase poll and the deployment of central police forces to oversee the poll. The matter was taken up in the High Court at the behest of the State Election Commission. The High Court gave a verdict in its favour. The widespread attacks on the Party and the Left Front which took place must be seen in the context of the panchayat elections where the TMC wants to use violence and intimidation against the opposition.

Strict Regulation Required

The Saradha episode also highlights the wrong policies of the Central Government. It has cut the interest rates for small savings deposits and also eliminated or reduced the commissions for agents of various savings and insurance schemes. This is helping chit fund companies to lure the people. A new law to govern the non-banking financial companies and chit funds is required and an effective regulatory mechanism set-up which does not exist at present.

Modi & Gujarat Model

Fresh evidence has surfaced about the role of Narendra Modi as Chief Minister during the Gujarat pogroms in 2002. The SIT material made available shows how the police were prevented from taking action against mobs that were out to commit the communal carnage. On the basis of this evidence, fresh charges should be

framed against Narendra Modi and he should not continue in the post of Chief Minister.

The so-called Gujarat model which the BJP government under Modi has followed has led to growing deprivation and a fall in human development index. 48 per cent of the children of Gujarat are malnourished; its literacy rate has slumped from fifth to seventh position for children between 6 to 14 years. The state has slipped from 10th to 11th position between 2000 and 2008 according to the latest Human Development Report. As against this, tens of thousands of acres have been taken away from farmers and handed over to big corporates at cheap prices. Big business is reaping huge profits from the tax and other concessions given to them.

Political Developments

Congress & UPA

The UPA and the Congress have been weakened in this period. After the TMC walked out of the UPA and the government in October 2012, the DMK followed suit in March 2013 on the grounds of the centre's handling of the Sri Lankan Tamil's issue. With the exit of the DMK, the UPA has been reduced to only three parties – the Congress, the NCP and the National Conference, apart from some other small groups.

The Congress has made Rahul Gandhi its Vice President. It has entrusted him with the job of revamping the Party organisation to gear up for the forthcoming Lok Sabha elections. The UPA government has been buffeted by one crisis after another. The role of the Law Minister in the status report of the CBI to be submitted to the Supreme Court; the draft JPC report seeking to cover up those responsible for the 2G Scam; and the Railway Minister's nephew taking a huge bribe for a posting in the Railway Board – have all further tarnished the image of the government already engulfed in huge corruption cases.

BJP

The BJP held its National Council meeting in Delhi in the first week of March. The session saw the projection of Narendra Modi and the demand that he be declared the Prime Ministerial candidate. Modi is projecting himself as the harbinger of development and touting the so-called "Gujarat model". It is significant that the big corporates are backing Modi in the expectation that he will push through more neo-liberal reforms and give generous concessions to the big bourgeoisie. Despite Manmohan Singh and the UPA government

offering various concessions to the big bourgeoisie, they still prefer Narendra Modi because he is prepared to go much further to serve the corporate interests.

Though Modi has been nominated to the Parliamentary Board of the party, there is a section of the leadership in the BJP who do not want him to be projected as the leader. Nitish Kumar and the JD(U) are opposed to Modi being projected as the Prime Ministerial candidate. In their National Executive meeting held recently, they have demanded that the BJP declare its candidate for the Prime Minister's post at the earliest and definitely by the year end. They have also stated that the leader should have a secular image and stand for inclusive politics. L.K Advani and some other BJP leaders are also arguing that the projection of Narendra Modi will hinder the broadening of the NDA alliance by getting new parties on board which is necessary for forming a government.

The corporate media is seeking to project the Lok Sabha election as a contest between Narendra Modi and Rahul Gandhi for the Prime Ministerial post. Both these leaders have appeared before the chambers of commerce to woo the industrialists and the corporate sector.

The Sri Lankan Tamils issue led to widespread agitation in Tamilnadu. The pictures of the 12-year old son of the LTTE leader Prabhakaran shown captured alive and then shown as being shot dead caused widespread indignation. Students from colleges and universities came out in large numbers to protest. The focus became the United Nations Human Rights Council where the United States was to move a resolution as a follow up to the earlier resolution adopted by the Council. The DMK demanded that the UPA government should get the resolution amended to order an international enquiry into the killings of Tamils. It is on this issue that finally the DMK broke with the UPA. Our Party took the stand that the UPA government should raise the demand for a high-level credible enquiry and get the Sri Lankan government to accept such a proposal.

The UPA government got into an embarrassing situation after the Italian Government decided not to send back the two marines who have been charged with the murder of two Indian fishermen off the coast of Kerala. The Supreme Court had allowed them to go to Italy for a month to vote in the parliament election. Normally, the Court would have sought the advice of the government in such matters. Finally, after the strong stand taken by the Supreme Court, Italy sent back the marines to stand trial in a Special Court.

As far as Telengana statehood is concerned, the Congress leadership decided not to take any decision till the budget session is over. This has led to acute discontent among Congressmen in Telengana and a section of the Congress leadership is considering leaving the party and joining other forces or forming a separate party.

In Kerala, rifts within the UDF and the Congress are developing. The UDF government is failing to tackle the urgent problems facing the people and the state.

In Karnataka, the BJP has been defeated and it has lost the only state government it had in the South. This was because of the embroilment of the BJP government with the mining mafia and the mining and land scandals that erupted during the tenure of the government. The BJP was split with Yedduyrappa forming the Karnataka Janata Party. The Congress party has been able to benefit from the mass discontent against the BJP. But this is a situation specific to Karnataka and the prospects of the Congress cannot be derived from this result for the rest of the country.

In this period, the Party conducted the *Sangharsh Sandesh Jathas* from four centres to Delhi. These jathas covered 11,000 kms and held hundreds of meetings and receptions. The jathas were successful in taking the message of alternative policies to the people. It activated and enthused the Party rank and file and supporters in areas through which the jatha traversed. The 19th March rally at the culmination of the jathas was the biggest mobilization by the Left in recent years in Delhi. At the rally, the call has been given for mass picketing to be organised between May 15 to 31. In each state one week picketing will be organised during this period on the six demands raised by the jatha -- Right to Land and House-sites; Curb Price Rise and Right to Food; Right to Education and Health; Right to Employment; Ensure Social Justice; End Corruption. Along with this has been added the farmers' issues and FDI in retail trade.

In order to continue with the momentum of the Left intervention, the Left parties have decided to hold a national convention on 1st July in Delhi.

We must work to make the mass picketing programme a success and project the Left alternative politics and policies in the coming days.

As decided in the last Central Committee meeting in January, state committees should prepare for parliament elections. There are

assembly elections coming in five states later this year for which preparations have to be made. The Party and the mass organisations must be active in taking up people's issues and conduct sustained struggles concerning the problems of the basic classes, workers, farmers, agricultural workers and unemployed youth. We should continue our struggles for the implementation of the MNREGA, Forest Rights Act, public distribution system, land and against attacks on women and issues of social oppression.