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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 held on
September 17-19, 2016 at New Delhi)

International Situation

Since the 21st Party Congress, due to our preoccupations, first with the holding of the organisational plenum in accordance with the schedule decided by the Party Congress, and secondly, due to the elections in two of our strongholds of Kerala and West Bengal, we had not been able to discuss and make an assessment of important developments in the international situation during this period. We had noted this weakness in our Central Committee meetings during this period. In the last few CC meetings, we have not even been able to discuss the circulated notes on the national developments in detail due to these preoccupations. We had decided in the last CC meeting that this should be rectified at the earliest and hence a review of some of the important developments in the international situation since our 21st Congress are discussed here.

Global Economic Crisis

We had concluded both in the Resolution on Some Ideological Issues at the 20th Congress and the Political Resolution of the 21st Congress that the current global capitalist crisis that began with the financial meltdown in 2008 not only continues but in many aspects is becoming more intense. Every effort made by global capitalism to emerge out of the crisis had created a new deeper crisis. The current effort to emerge out of this crisis by mercilessly squeezing the working people through the so-called "austerity" measures is also not providing any way out of the crisis for global capitalism. As we had noted global capitalism is seeking to emerge from this crisis by intensifying the exploitation of the people through the unleashing of predatory process of primitive accumulation.

The net result has been that this has buttressed the inherent tendencies of globalization in the neo-liberal dispensation of further widening the economic inequalities. This, in turn, is leading to a continued decline in the levels of domestic demand in the global

economy and individually in all the capitalist countries resulting in lower levels of economic growth and development. The continuing decline in the purchasing power in the hands of the vast mass of the people is reflecting itself in alarmingly high levels of income and wealth inequalities. The McKinsey Global Institute has estimated that during the course of these eight years of crisis 81 per cent of the US population are in net income brackets that continued to remain flat or declined. Similar figures for Italy were 97 per cent, for Britain 70 per cent, France 63 per cent and so on. Clearly, profits are soaring while people's purchasing capacities are declining. Consequently, the inability to expand the market for the sale of produced commodities and inhibits growth through the traditional capitalist methods.

The IMF economic outlook for 2016 describes global economic performance as "too slow for too long". Its forecast for 2017 has been downsized to predict a 3.4 per cent global growth. This appears to be a very inflated estimate. The World Bank in its latest Global Economic Prospects reports that in June 2016 it had once again lowered the global growth projections from its earlier January 2016 of 2.9 to 2.4 per cent in 2016.

The World Bank itself identifies weak investments and slow growth in exports as the two important reasons for this downslide. Clearly, both these factors are connected with the levels of domestic demand based on the levels of purchasing power in the hands of the vast majority of the people.

The US economy according to these estimates is expected to grow at 0.81 per cent lower than what was projected in January 2016. Its overall growth is expected to be below 2 per cent. IMF forecasts a growth of 2.2 per cent in 2017. Growth in the Euro zone is expected to remain at 1.6 per cent despite the vicious austerity measures it imposed. In Japan, the third pole of global capitalism, growth is expected to be around 0.5 per cent notwithstanding all the hyperbole over Abenomics. According to the IMF, in 2017, it is expected to grow only by 0.2 per cent.

The shrinking domestic demand is reflected in the fact there is virtually no growth in the manufacturing sectors in all these three main centres of global capitalism.

Growing Unemployment

The natural consequence of this low levels of growth and continuing crisis is the growth of unemployment particularly among the youth at very high levels. The current presidential elections in USA are centered around this basic issue of growing unemployment. One of

the factors for Britain's decision to exit from the EU has also been the crippling levels of youth unemployment.

This inherent contradiction in this process of maximizing profits while depressing the levels of domestic demand is retarding growth. This is characterized by the World Bank as 'headwinds' that are underestimated and hence the predictions of growth and prospects of emerging out of the global recession are not turning out to be true.

Enriching the Rich, Pauperizing the Poor

International finance capital led globalization through the neo-liberal reform process targets, as we noted in our 20th Congress Ideological Resolution, the maximization of profits as its primary motive. This is reflected in the fact that during these years of the crisis bulk of the financial institution credit has gone to the corporate sector and not to the households as was the previous record. Credit to corporates has accounted for more than three-quarters of the increase in credit to the non-financial private sector in the emerging markets/developing economies since 2010. The balance sheets of the corporates are having an adverse impact on the health of the banking system (what we are witnessing in India today is this global capitalist trend compounded by crony capitalism pursued by this Modi government).

As a result of providing such huge loans to the corporates in order to bolster their profits and for the executives to continue to draw their fat pay cheques, the Deutsche Bank, according to the IMF, poses the greatest risk to global financial stability as it has a capital base level of less than 3 per cent. Its asset base is very vulnerable with a financial exposure of more than US \$ 70 trillion, roughly the size of the world GDP. Italian banks are sitting over 5360 billion Euros of non-recoverable loans. In Greece 35 per cent of all loans have been classified as "non performing", i.e., unlikely to be recovered. As a result many of the EU countries are facing a crippling sovereign debt. What we had analysed in our 20th and 21st Congresses of the manner in which global capitalism sought to emerge out of this crisis by converting corporate bankruptcies into sovereign bankruptcies is resoundingly being vindicated. Spain's national debt today stands at more than 100 per cent of its output, the highest since the beginning of the 20th century. Greece has a debt of 170 per cent of its GDP. This is despite the fact that \$ 440 billion was extended to Greece as a bailout package by the EU, IMF and the European Bank. 95 per cent of this bail out went to pay back loans taken from these very banks by Greece and to the EU, private investors and speculators. Less than 10 billion Euros were actually spent in Greece. Accompanying austerity measures have crippled the economy. In 2016, it's unemployment rate was 24 per cent, the youth joblessness is above 50 per cent, wages have fallen to 24 per cent,

minimum wages have been reduced by 22 per cent, likewise the pensions for the poor.

Overall the global capitalist economy is unable to emerge from the systemic crisis of capitalism. As we noted both in the 20th and 21st Congresses, notwithstanding the severity of the crisis, capitalism does not collapse automatically. In the absence of a political alternative to capitalism it emerges out of such crisis by further intensifying the exploitation of the people. Given this continued crisis it is likely that a fresh round of a global financial meltdown can occur. This appears imminent that the precarious conditions of the global financial institutions and the banking system in the capitalist countries will worsen.

US Imperialist Efforts to Consolidate its Global Hegemony

In the wake of this crisis, US imperialism is trying to consolidate its global hegemony both through means of military interventions and aggressiveness and through bilateral and multilateral trade agreements that would help its economy to gain and revive.

Trade Agreements: The USA has engineered the signing of the Trans Pacific Partnership pact (TPP) hailed as the biggest trade deal in a generation. Headed by the US it has 12 Pacific Rim countries. This deal covers 40 per cent of the world's economy. This deal emerged out of five years of secret negotiations. The agreement is heavily loaded in favour of US corporates who are now apparently empowered to sue the sovereign governments in the TPP zone over lost profits due to domestic regulations. This is clearly an encroachment over the sovereignty of the other 11 countries of this agreement. It gives primacy to US corporates in all matters of disputes against the national government's regulations, rules, actions and judicial verdicts if they are perceived as undermining corporate profits.

On the other hand a similar effort by the USA to work out an agreement with the EU is virtually on the throes of a collapse. Both Germany and France are resisting such US pressures. USA seeks through this deal to eliminate almost all tariffs and regulatory measures virtually trying to create a trans-Atlantic Free Trade zone. The US multinationals gain tremendously, if this succeeds. The US is now exerting pressure to keep alive the talks for a possible resolution by the end of 2016. On this issue clearly the contradictions between the US and the EU and amongst the countries of the EU are surfacing.

Inter Imperialist Contradictions

As a result of this continuing crisis, the inter-imperialist contradictions which we had noted as being muted under neo-liberal globalization are surfacing in various ways. We noted in our ideological resolution of the 20th Congress:

“This preponderant domination of IFC, however, does not suggest the cessation of inter-imperialist contradictions. These not merely exist but are bound to intensify in the future, given the basic capitalist law of uneven development. This leads to conflicts of interests between capitalist centres given their relative future strengths often reflected, today, in the conflict of interests over control of world’s resources or in seeking a reordering of the world – a new re-division for creating specific spheres of influence. This can also manifest in future currency wars between different imperialist powers”.

We concluded that “inter-imperialist contradictions also manifest themselves in different forms in different spheres while they are currently muted in intensifying global exploitation for profit maximization”.

The cohesion of the imperialist camp, seen at the time of our 21st Congress is, however, showing signs of fraying.

Brexit: These contradictions are reflected in the manner in which the European Union is coming under severe stress and strain. The Brexit campaign and the final result in the UK is a pointer in this direction. Nearly 52 per cent of the British people voted against the EU. This is despite the tremendous pressure exercised by global finance and multinational financial institutions. Even US President Obama directly campaigned against Britain’s exit from the EU. The EU is seen by many British, particularly the poor, as acting as a supra state impinging on British national sovereignty. The vote is also a reflection of opposition to the policies of austerity and an outburst against growing inequalities and the system of power, wealth and privileges enjoyed by a small minority. The English working class registered its protest in the light of the loss of traditional job opportunities. The Communists and the Left campaigned to leave the EU highlighting the disastrous affects the EU has on the lives of the working class and the systematic undermining of the hard won rights of the working class. The right wing forces also voted for exit from the EU but their grounds were that of racial hatred, the job loss due to immigration and the ‘attack on British culture’ due to the influx of immigrants.

Contrary to the propaganda of international finance and EU, the unemployment rate did not rise substantially in the UK post the Brexit decision. It did not fall either and remains at 4.9 per cent.

The UK's share is more than 15 per cent of EU GDP, 25 per cent of financial services activities and 30 per cent of EU's stock market capitalization. Currently, feverish negotiations are on to replace the EU mechanism through bilateral agreements within the European Union. The British Pound went into a turmoil in its value but has more or less settled at the moment. But economic stability continues to elude. Many problems and new destabilizing factors will emerge in the process of negotiations over Britain's exit from EU which will go on for many months. Conflicts between the European powers and Britain over their respective share in the global economy and European economy will continue.

Naturally this Brexit vote had created a political turmoil in the UK. Prime Minister David Cameron was forced to resign and a new Conservative Prime Minister Theresa May has been sworn in. The Labour Party too fell into a crisis with its leader Jeremy Corbyn coming under severe attack by a powerful section of the followers of Tony Blair's 'new Labour'.

Political Shift to the Right

The continued economic crisis is having its political impact with the rise of the political right in many of the advanced capitalist countries.

The ongoing US Presidential elections due in November saw the emergence of Trump as the Republican candidate and Hillary Clinton as the Democratic candidate. Donald Trump is the first person in recent history of USA who has won the party nomination being outside the party establishment. Riding on the popular anger against the impact of the economic crisis he mounted an acerbic anti-minority campaign championing the interests of big business and dividing people on racial, religious and ethnic issues. The Democratic Party saw a key contest. Self-proclaimed democratic socialist Bernie Sanders took radical positions on issues like free trade pacts and the war in West Asia. Hilary Clinton on the other hand is known for her hawkish foreign policy positions and closeness to big business. But the support mobilised by the Sander's campaign has forced changes in her policy platform.

The rise of Donald Trump is a reflection of a strong trend of disquiet among the US population. This electoral process in the US is taking place in the background of some of the most vicious racial attacks witnessed in the US after the 1960s civil rights movement. The officials and security personnel accused of such attacks against the

Blacks are going unpunished. This is creating a huge discontent amongst the Afro-Americans. A movement called "Black Lives Matter" is gaining some support.

The rightward shift in Europe was already in evidence when one fourth of the European parliament seats were won by rightwing parties in the 2014 elections. In many of the European countries, there has been a keen electoral contest between the right and the Left with the Right advancing if not winning the elections. In Spain the 2015 elections produced a hung assembly. The subsequent elections in 2016 also did not produce any clear winner but the rightwing Conservative Party gained 14 more seats to emerge as the biggest party. The Podemus, the new coalition that emerged from the working class protests against austerity lost 3 per cent of the vote but retained the same number of seats. In Netherlands the Conservatives again emerged as the largest party. In France, the rightwing forces are gaining with growing ethnic disquiet and tensions. The recent 'burkini ban' controversy has once again deepened the ethnic-religious divides. In countries like Poland, the rightwing gained in the elections.

There is a political rightwing shift in Germany. The rightwing populist Alternative for Germany (AfD) secured the second place after the social democrats in the recent elections to one of Germany's states. It pushed Angela Merkel's Christian Democratic Union to the third place. This success followed the AfD's recent victories in three other states. AfD now has a presence in 9 of 16 state parliaments in Germany and is poised for a good performance in the federal elections next year.

Counter Trends: As both the traditional social-democrats and the conservatives are pursuing the same neo-liberal policies, the people are looking for a viable alternative to these kind of parties. There are new forces and parties, both Left and Right, that are coming up in the continent. In Netherlands, for example, while the traditional social-democrats were pushed to sixth position in the recent elections, newly emerged socialists and social liberals gained. The 5-Star movement has made gains in Italy winning the Rome mayoral election. There is an intense churning going on in European polity. A reflection of this is in France, when extreme right-populist Marie Le Pen was found leading in many of the regions, people had consciously voted to ensure the defeat of her party. They are looking for those parties and forces that can truly stand up against the neo-liberal attacks and protect their livelihood. In this process some new left groups and formations are surfacing.

Failure of coup in Turkey

The failure of the July 15, 2016 coup in Turkey against President Erdogan and his government has further strengthened the grip of Erdogan in the country. More than 200 people died in the government attack on those who participated in the coup. Thousands were arrested including people from the judiciary, armed forces, media and other sections of the society.

While strengthening his grip over the country and its forces, Erdogan is engaging with both Russia and USA to further Turkey's interests in the region. While Russia wants Turkey to come out of the Nato, USA has permitted Turkish armed intervention in Syria. How this will play out in the region has to be seen in the days to come.

US Military Maneuvres

In its efforts to strengthen its global hegemony, the USA apart from its military interventions in West Asia is concentrating in confronting Russia and strengthening the pursuit of its strategy of containment of China.

Nato's Eastward Thrust: At the Warsaw Summit of Nato in July 2016, it was decided that Nato military forces would be deployed in the Baltic states and Eastern Poland for the first time. Russia has naturally seen this as a provocation and both sides have increased air and sea patrols. Nato has positioned its new missile system in Romania and another one is expected to come up in Poland by 2018. This is in clear violation of the 1987 Intermediate Range Nuclear Forces Treaty intended to prevent a hair trigger nuclear alert danger. Nato has deployed combat battalions in the three Baltic states of Estonia, Latvia and Lithuania.

Ukraine continues to be a flash point. The USA fully supports the fascistic government in the Ukraine and has not reconciled to Crimea opting to join Russia.

West Asia & Middle East: Though it had to withdraw most of its troops from Iraq and Afghanistan and could not intervene directly in Syria, US aggressive military maneuvers continue in the region. After four years of bloody conflict US backed anti-Assad forces like Saudi Arabia and Turkey failed to overthrow Assad. In the process however, the rise of the Islamic State created chaos. The Russian support to Assad changed the balance of forces in the battlefield. The situation further favoured Assad when he received the full support of Iran. The USA finally had to abandon its objective of overthrowing the Assad regime. It is now forced to negotiate with Russia to coordinate the fight against the Islamic State.

This period has seen heightened tensions and growing conflicts between Russia and the US-Nato on many issues particularly on the Ukraine developments.

The US-Israel axis continues to strengthen its control over the region. The attempt to squeeze out the Palestinians from their access to natural resources and water bodies continues as well as Israeli forces attacks on the Palestinians. In neighbouring Yemen, the Saudi Arabian led war with the full backing of the US and Nato allies has virtually destroyed the Yemeni society.

Refugee Crisis

US imperialist military interventions seriously ruptured the social stability and civil society in many countries in the region. People here have been subjected to immense suffering, misery and insecurity. The post Iraq war and the present Syrian conflict have divided the entire region on sectarian lines. This has resulted in a huge humanitarian crisis with thousands of people migrating from these lands. Hundreds of migrants are losing their lives in their efforts to escape from their war torn homelands. The influx of migrants in Europe has created a crisis and exposed finance capital's claims of open borders with Capital mobility alone leads to prosperity. While Germany accepted one million refugees in 2015 other EU countries have been reluctant or refusing to accept them. This has heightened inner contradictions within the EU and is strengthening the far right anti-immigration forces in these countries.

Growing Militarisation

The increase in military expenditures by USA and other imperialist countries and military alliances is at one level an expression of their desire to strengthen the imperialist global hegemony through military aggrandizement and interventions as we had noted in our Party Congress resolutions in the past.

Another important reason for increased military expenditures is that this was shown to be a reliable recipe to prevent the classic capitalist 'over production' crisis. Military expenditures need the employment of people in the military industrial complex who do not produce anything that is humanly consumed but salaries that they draw and spend result in consuming the over production that capitalism naturally creates given its inherent nature.

Such military production however needs to be sold for the corporates to make their profits. Thus emerges the global 'arms bazaar' and feverishly lobbying on defence deals. Such arms deals can succeed

only through the global creation of tensions. This is buttressed by the consequent military interventions by imperialism. This tendency, as we have noted, continues to be an important element of imperialism's efforts to hegemonise the world.

During the period since our Party Congress, world military expenditures rose by 1 per cent in real terms. In 2015 the world military expenditures was US \$ 1676 billion. This is equivalent to 2.3 per cent of the global GDP. Between 2011 and 2014 global military expenditure declined as a result of the global financial meltdown but it has since then picked up. They have been continuously on the rise from the 1990s.

Data released by the Nato in July 2016 show an increase of military expenditures by all the alliance partners put together. The spending by the alliance in 2016 is targeted to reach US \$ 918 up from US \$ 892 billion in 2015. In 2015 USA alone accounted for 72.2 per cent of Nato defence expenditure.

Asia- Pacific region: Following the deployment of two-thirds of the US naval fleet in the Pacific waters, the USA has now consolidated its trilateral defence cooperation with India and Japan. Along with Australia this alliance is threatening to upset the balance in the South Asia in US's favour. The US has now brought in on board its Asia Pacific strategy India, which is willingly submitting itself as a junior partner of US imperialism.

South-China seas: US imperialism is interfering in the dispute between China and its neighbours. In the South East China seas US naval patrols have been deployed for such interference.

The rights of ownership over various islands and reefs in South China sea continue to remain contentious between various countries of the region. China, Philippines, Brunei, Singapore, Malaysia and Vietnam have contesting claims. China had rejected the Philippines approach to an arbitration court in 2013 for a resolution of the dispute under the United Nations convention on law of the seas. This court, however, ruled in favour of the Philippines which China has refused to accept. China's contention is that Philippines violated several bilateral agreements between the two countries in approaching the arbitration court. China maintains that on all bilateral issues and maritime delimitation disputes, third party dispute settlements or solutions cannot be accepted. It favours bilateral dispute settlement in accordance with the UN charter and norms governing international relations. The US continues to mount a disinformation campaign projecting China as opposing the movement of ships and restricting flights over this area. China on the other hand has declared its readiness to work with all the coastal states and international

community to ensure the safety and unrestricted access to international shipping lanes in South China Sea. The dispute originates in historic claims over the islands and reefs in the region.

USA continues to seek to 'contain' China's growing economic might and its trade relations in the region.

In the meanwhile, USA continues to conduct its high level military exercises in the Korean peninsula. This year saw more than 80,000 US armed personnel taking part in these exercises. In the name of checking DPRK's nuclear programme, US is arming South Korea with missile installations which it also wants to use as a part of its strategy to encircle Russia.

Russia-China Cooperation

In response to such US moves to consolidate its global hegemony, Russia and China have recently moved to strengthen mutual cooperation. Russian President Putin's visit to China in 2016 resulted in a joint statement on strengthening strategic stability and improving bilateral relations. This is a notable and welcome development.

Multi-polarity

In our 21st Congress we had noted that in opposition to US imperialism's efforts to impose a global unipolarity under its hegemony following the 'end of the Cold War', various expressions of efforts to strengthen multi-polarity such as BRICS, IBSA, BASIC, etc., have emerged.

During the period since, however, some important changes have taken place. Given the developments in Brazil and South Africa discussed here, these formations noted above will face a lot of uncertainty.

However, new efforts are also emerging, apart from growing Russia-China cooperation. The Moscow-led Eurasian Economic Union links together Russia, Armenia, Kazakhstan and Belarus, economies with a combined GDP of more than \$4 trillion. Meanwhile, the Asian Infrastructure Investment Bank, headquartered in Beijing, has 57 members since its formation last year, including countries like the United Kingdom that joined over American objections. Major Chinese initiatives like the New Silk Road Economic Belt and 21st Century Maritime Silk Road—referred together as "One Road, One Belt"—will feature road, rail, port, and pipeline investment across 65 countries in Asia, Africa, the Middle East, and Europe with a combined population of 4.4 billion.

Eurasian integration, via Russia's Eurasian Economic Union and the Sino-Russian led Shanghai Cooperation Organization are resulting in a series of new bilateral economic and military cooperation agreements between the two Eurasian Great Powers—Russia and China.

Socialist Countries

China: In the background of the continuing global capitalist crisis, the economic growth in China slowed down to 6.7 per cent but this was as desired by the Chinese government which had decided to slow down its double digit economic growth and fixed a target between 6.5 and 7 per cent for this year. Given the current global economic scenario, the Chinese government is trying to counteract the sharp global slowdown by concentrating on the services sector. The services sector today accounts for half of China's GDP and a majority of its urban jobs. Its concentration was on expanding domestic demand in the past few years through increased public investments for further developing its infrastructure. China has now emerged as the second largest world economy having the largest reserves of foreign currency of \$ 3.2 trillion or 30 per cent of its GDP.

Cuba: The Cuban economy has witnessed a slow growth of an average 2.9 per cent for the last five years. In 2015 it grew at the rate of 4 per cent while the projection for 2016 is 2.6 per cent.

The last Congress of the Communist Party of Cuba, the 7th, adopted the document "Programme till 2030; theoretical concepts of Cuban socialism". This document concluded that the State will remain the major player in the economy while encouraging non-State actors to take part in economic activity. The Socialist objectives of further improving education, health care, culture continues to find prominence. A full public discussion on this document is currently on at all levels of Cuban society. After the culmination of these discussions, the Central Committee will on the basis of these finalise this document. This process is expected to be completed by the end of 2016.

After 54 years, diplomatic relations between Cuba and USA have been restored and President Obama was the first US President to visit Cuba in the last 80 years. However, the economic blockade imposed by USA against Cuba is still continuing. The US continues to occupy the Guantanamo Bay. The Cuban Party leadership is persisting with its demand that the USA pay for the damages suffered by Cuba as a result of this economic blockade.

Vietnam: Over the last two years, Vietnam is maintaining its 6 percent GDP growth. The government has targeted 6.7 percent growth this year, compared to 2015, but now it has brought that down to 6.27 percent, due to severe drought in the country. Vietnam is one of the signatories of the TPP. The 12th Congress of the Communist Party of Vietnam (CPV) held in January 2016, apart from adopting the Political Report, reviewed the implementation of socio-economic development tasks during 2011-2015 and directions and tasks for 2016-2020. The Congress also adopted resolution on the implementation of the decisions on Party building. The Draft Report that was circulated months in advance, was extensively discussed and debated before it was placed in the Congress. Nearly 26 million comments and suggestions were received on the Draft, which were discussed for consideration before the Report was adopted in the Congress. The Report noted the failure to achieve certain socio-economic targets, particularly in the industrialisation of the country and also the growing economic inequalities. Deterioration in political ideology, morality and lifestyle, as well as red tape, corruption and wastefulness were identified as the important vices that need to be fought back.

The Prime Minister of Vietnam had recently concluded a visit to China, upon the invitation of the Chinese prime minister. During the talks and meetings, the Vietnamese and Chinese leaders reached broad common perceptions on intensifying the Vietnam-China comprehensive strategic cooperative partnership, and exchanged viewpoints on international and regional issues of shared concern. The two sides agreed to seriously implement the bilateral agreement on basic principles guiding the settlement of sea-related issues. Vietnam and China pledged to respect diplomatic and legal processes, consult and negotiate to reach agreements, and soon build a Code of Conduct (COC) in the South China Sea to avoid actions that complicate or expand disputes, while keeping peace and stability.

DPRK: DPRK (North Korea) continues to remain isolated due to the harsh economic sanctions imposed on the country. The DPRK in this period had tested missiles, nuclear war heads and launched satellites reflecting the rising military tensions in the region. The rising tensions in the region have virtually pushed the six-nation peace talks and the peaceful reunification of the Korean peninsula to the back burner.

Latin America

In our 20th Congress Ideological Resolution we had noted that the advance of the Left forces in Latin America is a source of inspiration

for anti-imperialist and anti-neo-liberal forces across the world. However, in this context we had also noted the following:

“Many countries in Latin America are ruled by either Left oriented or progressive governments after winning democratic elections. Left oriented coalitions, including Communist parties that have emerged in these countries are providing an alternative to imperialist globalization and neo-liberalism within capitalism. While these governments do not constitute a socialist alternative, they represent positive developments in the struggle to develop the ‘subjective factor’ that can mount a decisive challenge against imperialism and neo-liberal capitalism.”

Further, we had said regarding the future of such governments, the following:

“The successes of such governments in continuing to face and overcome imperialist challenges in Latin America, therefore, depends on how they continue to exercise their firmness to maintain ‘politics in command’, in order to ensure that politics determines their economic policies and, thus, continue to defeat imperialism’s political and economic needs which seek to direct their domestic policies to suit imperialism’s hegemonic designs.”

During the last year serious reverses have occurred in Latin America threatening the advances of the Left forces registered in the last two decades. The right wing forces are today on the offensive. In the recent elections in many countries of the region, the left forces have suffered setbacks. In Argentina, the rightwing won the presidency in 2015 by securing 51.4 per cent of votes. Immediately free market reforms including greater privatization and reestablishing links with the international finance organisations were initiated reversing the gains made in the past. This is a serious setback for the efforts to strengthen unification of the left political forces in the continent against US imperialist economic domination. The Brazilian President Dilma Rousseff was recently impeached. The ruling oligarchy supported by corporate media, sections of the police and judicial apparatus backed fully by US imperialism achieved this objective. In Bolivia, President Evo Morales lost a referendum to give the President a third term. In Venezuela, the right wing forces won a big majority in the parliament elections in November 2015. This led to concerted efforts in Venezuela to destabilize the Maduro presidency. The acute economic crisis, the steep fall in oil prices, steep inflation, shortage of food and essential commodities contributed to the US backed right wing forces winning the parliament election.

All these developments indicate a serious reversal of the progressive non-neo-liberal alternative that these Latin American countries were projecting. This is also a big blow for the progressive unification of the continent in its opposition to US imperialist domination. Now the future of regional platforms, formed as platforms of resistance to imperialist domination, like Mercosur, CELAC, Unasur etc are in jeopardy.

Growing Resistance

Such advances by anti-Left forces, inspired, aided and abetted by US imperialism are not going unchallenged. The growing attacks by the right-wing political forces in Latin America is not going unchallenged. People, led by the progressive, left forces are mobilising and coming out on to the streets protesting these attacks. In Venezuela, there were huge demonstrations across the country by the Chavistas, against the opposition attempts to create unrest. Similarly, Brazil also witnessed widespread pro-Dilma protests against the impeachment, terming it as a coup. The neo-liberal policies pursued by the Argentinian president are also meeting with resistance from workers and other sections of the society.

Colombian Peace

The government of Colombia and the Revolutionary Armed Forces of Colombia – People’s Army (FARC-EP) reached a ‘final, full and definitive agreement for the termination of conflict and construction of suitable and lasting peace’ in Colombia. This was announced in Havana, Cuba on August 24, 2016. This, it is hoped, will put an end to the over half a century long armed conflict that continued in Colombia. Cuba and Norway have signed the agreement as co-guarantors. However, the final agreement will come into force only once the peace deal is approved through a plebiscite by the Colombian people. If this process succeeds it is a big positive development in Latin America. It is socialist Cuba that played a big role in this entire process.

Africa

In many countries in Africa political, social and economic instability continue to deepen. This is mainly due to continuous imperialist interventions and the support it provides to various terrorist organisations in the continent.

Five years ago Sudan was divided into North and South as two separate countries as a result of an irresolvable imperialist inspired civil war. Now, this newly created South Sudan is on the brink of a new civil war. Violence erupted last month across much of the

country as the peace deal that was supposed to end the civil war which led to the division of the country has been rendered all but dead. Nigeria is now close to a nationwide famine, after nearly two years of brutal violent attacks by the Nigerian terrorist group Boko Haram. The situation is so grave that according to the UNICEF nearly 50,000 children will die of starvation if they don't receive any food immediately. Nearly 2,50,000 suffer from severe malnutrition in one of the states in the country. 4.4 million people are reportedly affected by this crisis, half in areas inaccessible to humanitarian agencies. In Somalia, extremist violence continues through terror attacks in the capital Mogadishu and other major cities. The Shabab militants continue to battle against the UN backed African Union forces and Ethiopian troops in various parts of Somalia. In various other countries like Gabon and Zambia instability deepens after allegations of widespread frauds and irregularities in the recent elections.

In the local elections in **South Africa**, the ruling ANC coalition saw its support falling to the lowest levels since 1994 when the first elections took place after the dismantling of the apartheid regime. Though it polled 52 per cent of the vote this is a very big decline where people voted against it on issues of growing unemployment, falling real wages and neglect of promised housing for all.

As we had analysed previously on many occasions that in times of crisis, either the Left forces are there to channelise this discontent into organised struggles or the rightwing forces exploit this very people's discontent for their advance. A crucial factor in launching powerful peoples struggle and leading these popular struggles of the people is the presence and strength of the Communist and Left Parties in these countries. Clearly, though the Communist and Left Parties may be, at best, maintaining their electoral influence but this is not yet sufficient to marshal the popular struggles behind the Left.

Our Neighbourhood:

The developments in our neighbourhood, broadly confirm to the conclusions we had arrived at in our 21st Congress. In these two years of BJP rule, our relations with our neighbouring countries soured due to the foreign policy direction this government had pursued.

In **Nepal**, at long last a secular, democratic and Republican Constitution was adopted in September 2015. Nine governments have changed offices in these ten years after the monarchy was overthrown, signifying the political instability in the country. This instability severely delayed the constitution adoption process. The Madhesi parties, who were objecting to certain aspects in the

Constitution, did not take part in the voting process on its adoption and organised widespread protests. After the adoption of the constitution, as per the laid down procedure, a new government led by Communist Party of Nepal (Unified Marxist Leninist) CPN (UML), was formed. Both the prime minister and president of the country belonged to this party. Within months, the government was forced to resign after it lost support in the legislative assembly. The Communist Party of Nepal (Maoist Centre) CPN (M-C) led by Pushpa Kamal Dahal (Prachanda) with the support of the Nepali Congress took oath of office, in its place. The provisions of the newly adopted constitution stipulate the immediate conduct of national, provincial, and local elections. But this appears to be highly uncertain. There is a general perception among the Nepali people that India is responsible for the road blockade, which had adversely affected the trade and movement of goods to Nepal, though the Indian government denies it. All these factors, together with the failure of the successive governments to address the livelihood issues of the people, are creating discontent and disillusionment. Pro-monarchy groups and right-wing forces are trying to utilise this situation to their advantage.

The first State visit to India by the new Nepal Prime Minister, which concluded on the eve of this Central Committee meeting, was sought by Nepal to convey to India that it remains its foremost friend and ally. This is significant considering the strident anti-India campaign that the Communist Party of Nepal (Maoist) had conducted in the recent past. The final assessment on the outcome of the visit can be made only once all details are available.

The religious fundamentalist forces and terrorist organisations have become extremely active in **Bangladesh**. They have targeted a number of secular writers and bloggers. They are also resorting to terrorist acts in which hundreds of people are killed. The decision of the Bangladeshi government to put to trial many of the Islamist leaders for war crimes they had committed during the Bangladeshi war for liberation had triggered this violent reaction. The growth of extremist forces and terrorists has a spillover effect on our country too, particularly in the border states. The attempts of the Bangladeshi government to bring to trial and act against the fundamentalists is laudatory. But it also has to ensure that these fundamentalist and terrorist forces do not use the economic discontent among the people to their advantage and wreck the already strained secular polity of the country.

The situation in **Pakistan** continues to remain critical, with large parts of the country under the influence of religious fundamentalist forces. Terrorist attacks continue to claim innocent lives. The military establishment continues to play an important role in the affairs of the

country. The current Kashmir disturbances are providing Pakistan greater scope for interference and to internationalise the issue. Indo-Pak relations, given the flip-flop policy of this BJP government is in danger of further deterioration.

In **Afghanistan**, the Taliban are once again gaining ground. The US continues to play an important role in the internal affairs of Afghanistan.

Maldives has been in turmoil since the toppling of the country's first democratically elected leader Mohamed Nasheed in February 2012. Abdulla Yameen who came to power following a highly controversial election, jailed Nasheed for 13 years and faces international censure over his crackdown on dissent. Radical Islam is on the rise in the country and in the last one year, the president got his Vice President, defence minister, chief of police arrested, apart from the leaders of the opposition parties.

Sri Lanka: The national unity government of the Sri Lanka Freedom Party and the United National Party has set up a Steering Committee for the preparation of a new Constitution. There is criticism that this committee does not reflect the political views of all sections of the people. This new Constitution has to be approved by the parliament in November 2016 and will go for a referendum in January 2017.

The September 2015 UN Report has shown that there were "patterns of grave violations" during the decades long civil war and called for the creation of a special court including foreign magistrates to probe the crimes committed. This report also recommends the establishment of a hybrid special court integrating international judges, prosecutors, lawyers, investigators as an "essential step towards justice". This UN report came just soon after the new unity government outlined its plans for a truth and reconciliation commission and other proposals to set up a criminal justice mechanism and to compensate victims.

Myanmar: Aung San Suu Kyi, leader of the first democratically elected people's representative of Myanmar since 1962, officially designated as "State Counsellor of Myanmar", reiterated strongly her opposition to recognize the Rohingya Muslims living in Myanmar for generations as citizens. Rohingyas are denied basic rights including citizenship, freedom of worship, education, marriage, travel etc. Over a lakh of them were driven out of their homes due to violence in 2012 remain in resettlement camps. The Buddhist monks charge that these people are Bengalis, implying that they are illegal immigrants from across the borders. The attacks on Rohingyas by Buddhist fundamentalist forces still continue.

Proletarian Internationalism

International Communist Movement

Communist and Workers' parties are active in many countries, though their strength is limited. In some capitalist countries like Greece, Portugal, Russia, Czech Republic, Cyprus, South Africa, Brazil, Nepal and Japan, they are an important political force. Most of the communist and workers' parties meet annually to exchange information, opinions and experiences in their respective countries. The initiative that we had taken in 1993 by organising a Seminar on Contemporary World Situation helped in bringing together all the major communist and workers' parties after the collapse of the Soviet Union. As most of the participants felt this initiative useful, a proposal to regularly meet in such gatherings was mooted. From 1999, the Communist Party of Greece (KKE) took the initiative and started organising the annual International Meeting of the Communist and Workers' Parties (IMCWP). The first seven meetings were held in Athens, Greece. Following our suggestion, that these meetings cover all continents, the meetings were organised in different countries and the eleventh meeting was organised in our country jointly by us and the CPI. It is proposed that the IMCWP in 2017 will be held in Russia to commemorate the centenary of the October Revolution.

There are efforts in various parts of the world to give a structure to such gatherings of the communist and workers' parties. For example, the meetings of communist and workers' parties in the Balkan region, European region are regularly organised. In Latin America, many of the communist parties are working closely with the new Left movements and forces and these parties also meet regularly. In Africa too the South African Communist Party (SACP) has taken the initiative to bring together various left groups, parties. Latin America has a long tradition of organising such meetings of Left forces like the Sao Paulo forum. Such meetings/gatherings of communist and workers' parties are not organised in our region. There is a demand on our Party to take such an initiative and bring together the various communist parties and Left forces in the SAARC region.

Working Class Struggles

During this period, the contradiction between labour and capital or the working people and the ruling classes in all the capitalist countries of the world has intensified. In Germany 2015 ended with strikes at the warehouse of US corporate giant Amazon. Lufthansa airlines workers and a large number of public sector workers actions; postal workers, kindergarten and nursery school teachers, continue

to rock Germany. In the USA working class strike actions took place in the automobile, steel and oil industries. In Greece, railway workers went on a five day strike. Likewise in many parts of the world there have been big protests. Landmark working class action of this period was the huge workers demonstration in Paris against the austerity measures where over a million people participated, drawing world wide attention.

Though there have been big protests all across Europe against austerity measures with European capitals seeing unprecedented large popular mobilizations, these struggles continue to remain defensive in nature. Defensive in the sense that their main objective is to defend the existing levels of livelihood and safeguarding the existing hard won democratic rights of the working people. These struggles however constitute the basis for building greater resistance against imperialism and the intensification of the capitalistic exploitation.

Under these circumstances, the conclusions we reached in our 20th and 21st Congresses continue to remain valid as shown by the developments we discussed above. Unless the political alternative to capitalism is strengthened by the communist parties and the left forces marshalling people's growing discontent and sharpening struggles and mounting the working class led assault against the rule of capital its merciless exploitation cannot be challenged.

Conclusion

Overall, all these developments in the world only confirm the fact that international finance capital led globalization with its neo-liberal agenda continues to impose greater and greater burdens on the working people all across the world. US imperialist efforts to further consolidate its global hegemony in its efforts to overcome the current economic slowdown is having the natural effect of destabilizing the various regions in the world. US efforts to strengthen its hegemony basically rests on countering Russian influence in Europe and containing the growth of China as a potential counter to US dominance in the world.

As a contingent of the international communist movement, the CPI(M) has to make its contribution to this global struggle by strengthening itself in India and vastly increasing our capabilities to widen and strengthen the popular struggles of the Indian people against the economic, political and other manifestations of this onslaught.

National Situation

Since at the last Central Committee meeting in June 2016 we had noted certain important national political developments, here we are focusing on some major developments that have taken place in the national situation since then.

Overall there is an all round deterioration as far as the people's livelihood is concerned during this period. The economy continues to plunge into a deeper crisis imposing greater burdens on the vast majority of our people. The country's foreign policy is in shambles and importantly our social fabric is sought to be assiduously torn apart.

Growing Economic Burdens on the People

Notwithstanding the claims of this government of high GDP growth, which is now officially estimated to be 7.1 per cent this year, the ground realities suggest otherwise. That these figures are suspect, as we had noted earlier, is now being confirmed by international agencies. *The Financial Times* has said that India's GDP growth rate according to the earlier standard of measurement should be 4.3 per cent instead of what this BJP government is projecting, according to its new measurement criteria, as 7.1 per cent.

The latest figures show that there is a serious crisis that has engulfed the Indian industry. The index of industrial production in July has registered a minus 2.4 per cent growth, the manufacturing sector which is the crucial provider of employment has registered a growth of minus 3.4 per cent. 12 out of the 22 main manufacturing industries have registered an absolute decline in growth. What is worse for the future is the production of capital goods has fallen sharply and registered an alarming growth of minus 29.6 per cent in July compared to a minus 16.5 per cent growth in June. The fall in the production of capital goods means that there is no new investment that is taking place.

The crisis in industry can be seen by the performance of various crucial sectors of the economy. Electricity generation, a key index of industrial activity, grew by 9 per cent in the first six months of 2016. In July, it dropped to 1.6 per cent and in August to 0.15 per cent. This is the slowest growth of the electricity generation in the last seven years according to the Central Electricity Authority. Similar critical conditions are seen in the entire energy sector. The railways are in a serious crisis. Its freight earnings in July 2016 declined by 9.68 per cent. This indicates an overall decline in the movement of goods indicating an industrial slump. In order to make up this loss of

revenue, the passengers are being burdened. The latest in this is the 'surge pricing' introduced by the railways which in fact means a massive hike in fares for 90 per cent of the passengers.

The crisis in the industries can also be seen by the fact that the bank credit to industries is slumping to its lowest. All this impacts employment generation.

The government has officially admitted in parliament that in 2015, 1.35 lakh new jobs were created in the major industries. This is against a fresh intake of 1.3 crore of our youth who join the employment market annually. Recollect that the Modi election campaign promised to generate 2 crore new jobs every year.

Agrarian Distress

The agrarian crisis continues to deepen. The real rural wages have been in the negative i.e. fall in absolute terms since October 2015. This happening in the drought year means a greater rural distress. The NCRB data shows a rise of 327 per cent in agrarian riots in 2015 compared to 628 in 2014.

Farmers suicides are estimated to have gone up by 40 per cent from 5650 in 2014 to 8000 plus in 2015.

The total area under cultivation continues to fall, the cost of production for the farmers is constantly rising and there is no corresponding hike in the minimum support price. Recollect that the Modi campaign promised to pay an MSP 1.5 times higher than the cost of production as estimated by the Commission on Agriculture Costs and Prices. Foodgrain production hence continues to drop further than what we had noted in our last Central Committee report.

Under these circumstances, the government is refusing to provide any relief to our vast rural population. Despite the Supreme Court's intervention calling for urgent relief for drought affected people, very little has actually reached them. Again, despite the Supreme Court's intervention, the MNREGA continues to be denied resources to provide even legitimate wages to the people. Out of the 218 million workers under MNREGA 109.8 million are active workers. This BJP government has implemented the policy that only those with Aadhar cards can draw wages directly into their bank accounts. Only 80.7 million MNREGA workers have Aadhar linked bank accounts. The rest are not even being paid their legitimate wages.

This Aadhar linked cash transfer into bank accounts is seriously flawed. In many places, people are denied their basic entitlements. This is preventing a large number of people from getting their

legitimate supplies from the public distribution system. The fingerprint machine does not identify the eligible people's fingerprints properly and hence under this plea a large scale denial of supply of rations is taking place.

We have been demanding an universalisation of the public distribution system as the only way through which the barest minimum supplies of essential commodities to the vast majority of the people can be ensured. This BJP government stubbornly refuses to proceed in this direction.

Price Rise and Growing Unemployment

There is a dual attack on the people of growing unemployment and relentless rise in prices of essential commodities particularly food. Official figures estimate that urban employment in August was 11.24 per cent and rural 9.18. As is well known these estimates are deeply flawed. The criteria of self-employed is used to cover up large scale unemployment and underemployment. In reality the percentages are much higher.

The burdens on the people through price rise continues to intensify. The wholesale inflation is rising for the fifth successive month. The wholesale price index for August has been officially declared as 3.74 per cent, food articles are costlier by 8.23 per cent, pulses by 34.55 per cent, potatoes by 66.72 per cent, sugar by 35.36 per cent etc.

The government's efforts to camouflage this reality continues unabashed by the amazing claims that are made concerning our growth rates. The latest in this is the estimates of poverty that have been doled out by the Prime Minister's handpicked Niti Aayog. They have come to the conclusion that it is very difficult to estimate poverty in India and hence the Niti Aayog has recommended that the government appoint yet another commission for poverty estimates. Earlier on the basis of very dubious definitions the Tendulkar committee had estimated 270 million Indians living in poverty while the Rengarajan Committee estimated this figure to be 363 million. Now this government is simply refusing to put out any estimates about poverty in the country. They wish to suggest that under this BJP government, poverty has been eliminated.

Abandoning Planning

After the abolition of the Planning Commission, there are reports that now the government is considering the abandonment of the plan process itself. The next Five Year Plan or Annual Plans have been abandoned. The abandoning of the planning process means that the concept of sub-plans will also be abandoned. This will have serious

consequences for the SC Sub-Plan and the ST Sub-Plan. We have been demanding that these Sub-Plans must be properly implemented and the funds be properly used. Now both the SC Sub-Plan and ST Sub-Plan are likely to be abandoned as well denying the dalits and tribals even the meagre relief that has now provided to them through these Sub-Plans and some developmental activities, however halting, will also cease.

The commitment to spend 10 per cent of all development allocations in the North-East, in pursuance of which a separate ministry and a department were created, will also likewise be abandoned. This will have serious implications for the much-needed developmental activities in the North Eastern region. This will only further fuel the people's discontent creating greater associated problems arising out of growing people's alienation.

The Prime Minister continues to go on his propaganda blitz claiming many achievements which are turning out to be bogus. Under the much tomtomed Jan Dhan Yojana the PM claimed that 24.1 crore new bank accounts have been opened, it has now been shown that 75 per cent of all such accounts had a zero balance in 2014. Media exposures have shown that the nationalized banks where bulk of these accounts are, have been asked to deposit a rupee each in these accounts to statistically reduce the number of zero balance accounts. Such accounts, as a result of this type of manipulation, have now fallen to 5.87 crore from 8.40 crore in 2015.

The PM continues to claim that his appeal for targeted supply of subsidized gas cylinders has saved our country of over Rs. 22,000 crores. This myth has also been exposed by the CAG which has shown that due to less take off the savings in LPG subsidy was only Rs. 1763 crores while Rs. 21,552 crores was saved due to the fall in prices of international crude oil. Likewise the PMs claim of rural electrification and the examples he gave in his Red Fort address have now been removed from the PMs official social media accounts. Official propaganda claims 98.7 per cent of villages are electrified. But government data shows 35.73 per cent of rural households (6.14 crore) have no access to electricity.

Disappointing Pay Hike for Govt Employees

The pay hike for Central government employees announced by the Central government has been disappointing. Based on the Seventh Central Pay Commission's recommendations, there is only an increase of 14.2 per cent in the emoluments in terms of gross salary and the increase in the take-home pay is just 7.4 per cent for the lowest category. The Central Government has deferred the decision

on the revision in allowances. The ratio between the lowest and the highest scale continues to be wide with the ratio being 1:14.

Attacks on EPF

The working people continue to be denied relief that they used to get earlier. In fact there is actually a decline like in the case of the EPF. The Central government wanted to peg the interest on the hard earned employees earnings which are placed in the provident fund at 8.6 per cent. Last year this was 8.8 per cent. Even if an interest of 8.95 per cent is given a surplus of over Rs. 100 crores would remain. Even the legitimate relief for the workers from their own earnings is being deprived by this government.

Crony Capitalism

The PM and the government boast that this is the first government of India that is scam free, but in reality this is a government that is practicing crony capitalism of the worst order favouring their favourite corporate giants. The Indian corporates owe banks over a whopping 8.5 lakh crores in terms of the loans that they had taken which are not being paid back. The top ten corporate groups owe 57368 crores as of March 2016. The government is now seeking to wave off such loans or to restructure them. This requires a recapitalisation of the nationalized banks. In order to do this, the government is seeking to draw from the reserve fund of the Reserve Bank of India. RBI Governor Raghuram Rajan was not allowed to continue because he was not in favour of such a move which can lead to the destabilisation of the entire financial system of our country. Now that he has been eased out we have to watch carefully if the reserve fund of the RBI which is basically people's money is used to recapitalize the banks in order to favour these corporates. This is nothing but the most brazen expression of crony capitalism. The government has admitted in parliament that Rs. 1,12,089 crores of loans were written off by the public sector banks in 2014-15 and 2015-16. Such a huge loan waiver for the corporates is given down when the poor farmer is prosecuted for the meager loan of a few thousands and his property and cattle confiscated. It is this debt burden which is the main cause for growing farmers suicides. The government refuses to provide relief to the victims of this agrarian distress by a loan waiver but is willing to waive loans to the corporates on such a mega scale.

The corporates must be first forced to pay back these loans and only then the recapitalisation of the banks should proceed. But this government is refusing to adopt this line of reasoning. Our struggle must be based on the slogan "first recovery, then recapitalize".

Further expression of crony capitalism can be seen by the fact of the government's own admission that in 2015-16 the tax revenue forgone has risen to Rs. 6,11,128 crores. Such tax concessions to the corporates and the rich while pleading that they have no resources to implement the already legislated programmes of relief for the poor speaks volumes of crony capitalism being pursued by this BJP led government.

Collapsing Public Health System

With sharply deteriorating levels of public investment in the primary health care delivery system the crisis of public health has assumed almost emergency proportions. With the inadequacy in government institutions, hospitals and primary health care centres and private business expanding with rapidity, the poor and the underprivileged are really facing a pathetic prospect. The withdrawal of the government from production and distribution of medicines their prices are through the roof. The lives of thousands of Thalesmics who are dependent on the drug desferal stands threatened as an artificial shortage has been created by Novartis, which is the sole manufacturer of the drug.

The general food insecurity is leading to abysmal levels of malnutrition in the country. This is particularly evident in the stunning levels of malnutrition among young children and expectant mothers. Underweight and stunted growth among children is now highest in the world. With around one per cent of GDP as public investment in the health system we are unable to check the outbreak of major spread of communicable viral diseases like dengue and chikungunya. In major metropolitan cities like Delhi and Kolkata they have assumed epidemic proportions.

Growing Atrocities on Women & Children

Despite the offensive campaign against the erstwhile UPA government by the BJP and the Prime Minister Modi in the run up to the elections, atrocities on women are not only continuing but growing menacingly. The most disturbing feature is the increasing evidence of atrocities like rape on the girl child. Even infants are not being spared. In an atmosphere which is marked by increasing atrocities on minorities and dalits, sexual assault on the women of these sections is becoming an increasingly potent weapon for this aggression. On the question of empowerment of women, the women's reservation Bill continues to be in the cold storage since its inception, two decades ago. Apart from the women's movement all democratic sections of the people must mount pressure for ensuring the passage of the Bill.

September 2 Strike

In opposition to this sharp decline in the livelihood standards of the working people in the country and to safeguard the legitimate democratic rights of the working people and against these policies of neo-liberal economic reforms that this government is pursuing more aggressively than the earlier Manmohan Singh government, the call given by the central trade unions evoked a widespread response in the country. The impact of this strike was more than last year's strike.

Sharpening Communal Polarisation

Ban Cow Vigilante Committees: In the report at our last Central Committee meeting we had discussed the all round assault being mounted by the Hindutva forces under the patronage of this BJP government in various states. After sharpening communal polarisation on one issue or the other since they formed the government in 2014, through campaigns on love jihad, ghar vapsi, forced conversion, Hindutva nationalism, hate speeches etc, the latest issue now is 'cow protection'. The gaurakshak committees that have been activated in the various states in the name of protecting the cow. These cow vigilante groups are bands of storm troopers proclaiming themselves as cow protectors are indiscriminately attacking dalits and Muslims on false charges of slaughtering and consuming beef. Many BJP state governments and some others have enacted cow protection laws. These vigilante groups have taken upon themselves to enforce the law. The result is terrorization of the Muslims and dalits and attacks being mounted on them. Following the lynching of Mohd. Akhlaq in Dadri, two young Muslim cattle trades in Latehar, Jharkhand were hanged to death in public view. The flogging of four dalit youths in Una in Gujarat was specially targeted against the dalits. The latest is what happened in Mewat, a predominantly Muslim district in Haryana in the run up to Bakri Id. Two young girls were gang raped, two people murdered under the charge that they were possessing beef. Mewat is famous for its biriyani. Biriyani samples in the vicinity are being checked for beef content as a result of which this thriving biriyani business on the occasion of Id has been thoroughly dampened through such terrorization.

Shockingly in most of these incidents, the police and administration have remained mute spectators, at times aiding the culprits and lodging cases against the victims of these attacks. Further, such cow protection laws and vigilantism is creating havoc with agriculture and destroying lives of farmers. In most places there are no provisions to take care of the cows after their productive age is over. Herds of cows rampage into agricultural fields destroying the crops. There is

no compensation for the kisans. Even where there are “gaushalas”, like in Rajasthan (the BJP government there has a separate ministry for cow protection) hundreds of cows have died because of total lack of care.

Such cow vigilante groups cannot be permitted to take law into their hands. State agencies and police are those who are entrusted to enforce the implementation of law. They should take action against the violators. Such private storm troopers cannot be permitted to run amok. These cow vigilante groups must be banned forthwith.

There are reports of eruption of communal incidents in various parts of the country like Chapra in Bihar. It is clear that the Hindutva forces are preparing to sharpen communal polarisation in various ways in the run up to the assembly elections to UP and Punjab.

Growing Attacks on Dalits

There is an increasing anger building up amongst the dalits all across the country over the manner in which this BJP government is patronizing and encouraging attacks against them on various grounds. There was a big gathering in Mumbai against the demolition of the Ambedkar Bhawan. Following the Una flogging a big dalit mobilisation took place, which was sought to be stopped by the BJP state government unsuccessfully. Our comrades through the various fronts – dalits, agricultural workers and mahila – participated in this march and protest actions. The coordination between various dalit groups and the Party is going on and on September 16 an action was organised in Delhi under the banner, ‘Dalit Swabhiman Sangarsh’ with our active participation. Such coordination must increase and in this manner our Party Congress decision of taking up issues of social oppression along with issues of economic exploitation must be strengthened.

Rising Attacks on Religious Minorities

Rising attacks on minorities, particularly Muslims has sharply escalated during this period. Contrary to the hopes of millions of people who hoped that Narendra Modi’s electoral commitment ‘*sab ka saath, sab ka vikas*’ is genuine and his record would not be an impediment to reverse the communal campaign that is associated with RSS-BJP, the situation has only worsened. The hope however was despite the Muzaffarnagar riots and the large number of communal clashes which marked the run up to the elections in order to force polarisation in the hustings.

The actual records show that in the last two years, the number of communal incidents have actually gone up. According to data put up

by the Centre, casualties from communal unrest also increase last year with dead and injured up at 97 and 2246 from 95 and 1921 in 2014, respectively. This means there was a 17 per cent spike with 751 incidents recorded across the country as against 644 in 2014. Apart from the incidence of communal aggression engineered by RSS and its affiliates, the penetration of the communal virus in the body politic and the administration becoming more prominent, the bias of the justice delivery system ranged against the minorities is coming into sharp focus.

Kashmir

For the past more than nine weeks since the killing of Burhan Wani, the people of Kashmir have been out on the streets in mass protests. More than seventy people have died in firing by the security forces and a few thousands have been injured. Pellet guns used by the security forces have rendered many disabled for life. The deep sense of alienation of the people is borne by the fact that protests this time have not been restricted to the towns but spread to rural areas. At no time has the gulf between the Indian State and the Kashmiri people been so wide. Since the beginning of these disturbances in Kashmir, our Party has been demanding that an all Party delegation must visit the state and the process of unconditional political dialogue with all stakeholders must be started forthwith. After two long months of curfew and three discussions in the parliament the government was finally forced to send this all party delegation.

The Party has all along advocated the maintenance of the special status accorded to Jammu & Kashmir under Article 370 and for the provision of maximum autonomy. On the eve of the all party delegation's visit, the CPI(M) and the CPI jointly demanded five immediate confidence building measures. These are the stoppage of the use of pellet guns; withdrawal of the AFPSA and the army from civilian areas; a judicial enquiry into all instances of excesses committed by the armed forces; award of adequate compensation to all families who have suffered loss of lives and rehabilitation of the injured and time bound projects for economic development and employment generation including transfer of Dulhasti and Uri power projects and the opening of an IMM and IIT in Srinagar.

The Left parties had also suggested the holding of dialogue with all stakeholders in Jammu & Kashmir on the basis of reversing the erosion of Article 370. The three regions of the state, Jammu, the valley and Ladakh, should have autonomous structures within the State of Jammu & Kashmir. This will entail changes in the constitutional and legal scheme which can begin by revising the existing orders and laws. Simultaneously, talks should also be held with Pakistan on all outstanding issues including Kashmir. Since 2014

India has been adopting a blow hot-blow cold policy in taking forward the comprehensive dialogue with Pakistan. For a long lasting solution to the problem it is essential that talks be resumed within the framework of safeguarding India's interests.

The all party delegation visited the state on September 4 & 5. However, the government did not propose any concrete agenda of specific issues or a set of people, parties, civil society organisations etc with whom the delegation will meet. The CPI(M) and CPI which were part of the delegation had taken the position that the delegation should interact with all the stakeholders including the leaders of the Hurriyat.

At our initiative a delegation of CPI(M), CPI, JD(U) and RJD members of the all party delegation went to meet five Hurriyat leaders. While one, Geelani did not meet them, the other four did and we could convey to the people of Kashmir that there are forces in the Indian parliament who are willing to extend such an outreach and wish to talk to all stakeholders in order to restore peace and normalcy. To the people of Kashmir a strong signal was thus sent that there is also a section in Indian parliament which pursues a more meaningful and vibrant integration of the Kashmiri people.

Despite agreeing to a common statement by the all party delegation unanimously on return to Delhi which said that the "central and state governments must immediately initiate a political dialogue with all state holders" this BJP government has not acted upon it. On the contrary, it has augmented the contingent of central security forces in the valley. In an unprecedented development all the major mosques in Srinagar were kept closed on the day of Id. Even at the Idgahs the faithful were not allowed to pray. The famous Jamia Masjid at Srinagar was last closed in 1821 during a natural calamity. This is the first time that this mosque remained closed for Id prayers. In the confrontation that day two more people have died and over 50 injured.

This is a dangerous situation. The Central government and the Hindutva forces are considering that a strident anti-Pakistan position and cracking down in the valley through security forces would lead to sharpening of communal polarisation which may deliver electoral benefits to the BJP in the forthcoming elections. This is a dangerous game. We must alert the people of India to these dangers and to organise actions to force the government to implement the initiatives of a political dialogue immediately with all stakeholders.

Junior Partner of Imperialism

The cementing of India's role as a strategic junior partner of US imperialism, a fact that we had noted in our last meeting continues to be strengthened by the Modi government.

Logistic Exchange Memorandum of Agreement (LEMOA)

In the last meeting of the Central Committee we had noted that the Modi Government is moving towards signing the Logistical Support Agreement which allows each military to avail logistic support facilities – fuel, spare parts, mechanics etc – of the other while on joint training.

The Government has now formally signed the Logistics Support Agreement termed as the Logistic Exchange Memorandum of Agreement (LEMOA) with the United States during the visit of Defence Minister Manohar Parikkar.

By signing such an agreement, India has acquired the formal status of a military ally of the US. Under this agreement the US airforce and navy can use Indian naval and air bases for logistics support, refueling and services on a regular basis. The US armed forces can utilise Indian military bases while conducting military operations in third countries.

The Modi government has thus compromised on Indian sovereignty and surrendered its strategic autonomy.

In line with this new status that India has acquired, Indian naval ships were dispatched to patrol in the South China seas as a part of the US strategic objectives in this region.

Foreign Policy Shifts

The pressures of the new status that this Modi government has given India as US imperialism's junior partner can now be seen in the shifts in India's foreign policy. Prime Minister Modi will be the first Indian Prime Minister who will not be attending the forthcoming Non-Aligned Summit in Venezuela. All other Indian Prime Ministers from Jawaharlal Nehru onwards (except for caretaker Prime Minister Charan Singh) had attended the summits. Clearly, this BJP government, having acquired the status of a US ally is moving towards completely abandoning India's long cherished foreign policy pivot of non-alignment.

Floods

Large scale devastation and loss of lives were caused in Bihar and several other states due to floods. In Bihar alone over 135 people were killed and 35 lakh affected in 12 districts in the state.

The state governments have been wanting with respect to the provision of immediate relief and compensation to the victims of these calamities. In the wake of these recurrent floods it is essential that long term measures be taken.

On the Singur Judgment

The Supreme Court has struck down the 997 acres of land acquired in Singur meant for the Tata car project.

The then Left Front government had intended through this project to develop industry and thereby create jobs in the state.

However, the acquisition process had to be undertaken under the 1894 Land Acquisition Act, which was the only legal instrument available at that time. This was an Act which did not protect the interests of the farmers adequately. On land acquisition, the CPI(M) had earlier acknowledged in its Central Committee review report of the 2011 assembly elections that "The administrative and political mistakes in this regard proved costly".

After the project was abandoned the TMC government brought a Bill in the assembly to return land to those who had refused to take the compensation. The CPI(M) had said that now the land should be returned to all the erstwhile owners. It had stated that there should be no discrimination between those who had accepted the compensation and those who did not.

Now the Supreme Court judgment has decreed that the land acquired should be returned to all the original owners along with the compensation due to them.

For decades the CPI(M) was demanding that the 1894 anachronistic law should be replaced by providing adequate security to the farmers. Finally, in 2013 The Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation and Resettlement Act was adopted by the parliament. The CPI(M) continues its efforts to improve this Act further in the interests of the farmers. The current BJP-led Central Government on the contrary sought to dilute this Act through ordinances and continues to undermine this Act. The CPI(M) shall oppose all efforts to dilute this Act and is opposed to

such dilution being currently undertaken by many state governments.

Kokhrajjar Terrorist Attack

At least fourteen people were killed and another twenty seriously injured when unidentified gunmen opened fire at a weekly bazar at Balajan Tiniali Bazar near Kokrajhar town, headquarters of the Bodoland Territorial Area District (BTAD) administration. Though this area has been known for long to be terrorist infested and the police administration and the BJP state government did not take adequate measures to protect the life and property of the people.

The BJP is in a coalition government in alliance with the Bodoland People's Front and hence is complicit in allowing such terrorist attacks. This should be taken as a warning and the state government must protect the safety and security of the people.

Kaveri Water Dispute

Violence and arson were reported from Karnataka and some parts of Tamilnadu following the Supreme Court's decision on sharing of the waters of Kaveri river.

In the case filed by the Tamilnadu government to implement the Tribunal award on the Kaveri water issue, the Supreme Court has ordered to release 15000 cu.ft/sec of water for ten days on daily basis. In spite of reservations, the Karnataka state government has released water. It however, went in an appeal to the Supreme Court against this verdict. The Supreme Court revised the order by asking Karnataka to release 12000 cu. ft/sec of water. It reduced the quantum of water but increased the duration to 15 days. In the bargain Karnataka had to release more water. This is what is reported to have enraged the sentiments in Karnataka.

The dispute over sharing of the Cauvery river waters is a longstanding dispute between the states of Karnataka and Tamilnadu. In times of shortage of rainfall, sharing of waters in distress conditions can only be resolved through negotiations and a mutual agreement on how these waters are to be shared. Such disputes cannot be resolved by whipping up passions amongst the people of both the states and pitting them against each other.

On the New Education Policy

We had forced a discussion in parliament on the new education policy. The HRD minister had to assure the parliament that the current draft is merely a draft for consultation and the policy will only

be formulated after consultation process and after a discussion in the parliament. How far they will adhere to this assurance is to be seen.

The draft however is a recipe for centralization, communalisation and commercialization of Indian education. It has many serious implications which are being studied by our various fronts of teachers, students, popular science movement, IT, Free software movement, separately and together and a considered response is being formulated.

But as far as the direction of the draft goes, it is clearly an effort to communalise the entire Indian education system. Already the syllabus at the level of the schools have been drastically altered in the BJP led states. Higher education is sought to be transformed to dovetail to the Hindutva philosophy and agenda. The overall effort is to change the education system in such a manner that the study of Indian history henceforth will be reduced to the study of Hindu mythology and the rich traditions of Indian philosophy will now be transformed to the study of Hindutva theology.

This is a serious effort to change the character of the secular democratic republic and the foundations of our values, composite culture and the co-existence of different religions, languages, habits and customs and cultures.

Our units must participate in this discussion on the education policy which is being conducted by the MHRD through its website. Our fronts are working out their independent activities with an aim to eventually coordinate with the others and make a big intervention before parliament during the winter session as the final draft for approval is expected to come around that time.

Violence In Agartala

The IPFT is carrying on a divisive campaign for a separate state for the tribal people in Tripura. On August 23 they held a rally in Agartala and indulged in violence. The incident which began in one part of the town soon spread to other areas and around 20 people suffered injuries and had to be hospitalised. Sections of the TMC and the BJP also took advantage of the situation and joined those indulging in arson. However, three tribal factions of erstwhile TUJS and the INPT called for restoring peace and harmony in the state.

The Party and the Left Front intervened to mobilize the people to protest these attacks and maintain peace. The Left Front held a peace rally on August 28 and appealed to the people to maintain peace and harmony. The people of Tripura have an exemplary record of maintaining tribal-non tribal unity. The CPI(M) calls upon all the

democratic forces to remain vigilant to see that the nefarious designs of these divisive forces to destabilize the Left Front government are foiled and peace and harmony is maintained.

ADC Bye-Election Victory

The Left Front sponsored CPI(M) candidate won the bye-election to the Simna-Tamakar (ST) ADC constituency. He defeated the nearest IPFT candidate. The percentage of the votes polled by our candidate went up by 5.6 from the last year's general election while the votes polled by the IPFT candidate also went up by 5.3 per cent. The IPFT had received over and covert support from all other opposition parties. Trinamool Congress had openly extended its support to the IPFT candidate, while the withdrew its candidate in favour of IPFT.

Kerala: 100 days of LDF Government

The Left Democratic Front government in Kerala has completed hundreds days in office. The LDF government has delivered on some of its promises made during the election campaign. Immediately after assumption of office, a house for Perumbavoor murder victim Jisha's mother was constructed and it was handed over before the the promised date, the rate of welfare pensions were increased, closed cashew factories were reopened, pensions of more than 37 lakh people were disbursed at their homes. Besides, the government was able to start the comprehensive loan waiver scheme. All this reflects the care for and commitment to the weaker sections of our society that the LDF had promised.

RSS attacks: The attacks on CPI(M) offices and cadre that began soon after the declaration of election results claiming the lives of four of our comrades have been intensified all across the state by the RSS. The details of these attacks are being circulated separately. While they are mounting the attacks the RSS-BJP through the spokesmen of the government are launching a propaganda blitz of disinformation claiming that the CPI(M) is mounting these attacks against them. The Union Home Minister has also called the Kerala Chief Minister asking him to protect the RSS members from attacks, as reported in the media. The truth is the other way round. Given its increase in electoral support in the last elections, the BJP is seeking to make political gains in Kerala through such politics of violence and terror, in addition, to sharpening communal polarisation in predominantly Muslim populated areas. The Party has to be prepared to meet this serious onslaught that the RSS-BJP are clearly mounting against the CPI(M) and the LDF.

Bengal Post Poll Violence

The post-poll violence in West Bengal that we had noted in our last meeting continues. However, there is a shift in the methodology that the Trinamul Congress is adopting. Along with terror and intimidation they are using methods of coercion and appeasement (bribery) to wrest control of various local bodies that the Left Front had won prior to the assembly elections. New types of terror tactics are being employed whereby families are threatened that the wife can only continue to live as a widow if the husband does not abandon being a Left activist, families who have college going daughters are threatened of grave consequences like rape if they do not fall in line and cross over to support the TMC. Through a combination of all these methods they have managed to wrest control and forcibly occupy the local level elected body offices. Out of a total of 79 panchayat samitis formed with a Left Front majority 43 have been forcibly occupied so far by the Trinamul Congress. The Left Front now controls only 36 of the 79 panchayat samitis that it had won. In the gram panchayats the Left Front had 857 where it won a majority. Through such methods the Trinamul Congress has forcibly occupied 416 leaving only 427 under Left Front control today. Likewise in the municipal bodies Left Front had formed 9 municipal boards obtaining a majority in the elections. Of these, the Trinamul Congress has now forcibly occupied 6 leaving the Left Front municipal boards at only 3.

Such are the new tactics that are being employed by the Trinamul Congress against the CPI(M) and the Left Front. The details of the attacks, number of comrades who have lost their lives, number of families internally displaced, number of people whose agricultural land were forcibly occupied etc are being separately circulated.

Our Tasks for the Future

The situation in Kashmir is very grave and as we had stated in our Party Programme, the way the issue is handled "exemplifies the failure of the bourgeois-landlord classes to address the vital issue of national unity in a democratic manner". (para 5.5)

The situation here is further compounded by the communal agenda pursued by the BJP government. The Party must organise campaigns all across the country on the dangers this sort of handling of Kashmir poses to our country's unity and integrity and also our security and sovereignty. The suggestions that we have made must be carried to the people in the country as an essential element of the possible manner in which the problem can be solved.

The Party must take the initiative to raise the issue of electoral reforms and Centre-State relations. We should make efforts to

mobilise wider sections of the people who support the need for creating a more genuinely democratic and fair electoral system. Likewise we should coordinate with regional parties and raise the issue of safeguarding and improving the federal structure and centre-state relations and take up this issue for public campaign.

As we have already decided in our Party Congress and the organisational plenum, our state committees must take urgent steps to build anti-communal platforms drawing in democratic and secular forces and organise various types of programmes to expose the attempts at communal polarisation.

Our state units must identify the Left and democratic forces in the state and work out plans for rallying these forces on the basis of a platform of alternative policies and demands of the working people.

In this situation the opportunities that have now become available for forging strong bonds of unity between the Left forces and the dalit movement must be carried forward in a planned manner. At the state level our units must take the initiative and forge such unity in action.

An anti-imperialist campaign must be conducted by the Party at all levels in opposition to this Modi government's acceptance of a strategic junior partner of US imperialism status.

Implement the resolution adopted at our 21st Congress on observing the centenary of the Great October Socialist Revolution. We had decided to conduct a year long campaign beginning the 7th of November 2016 and culminating on 7th November 2017. State Committees should work out concrete and definite programmes and activities covering the multidimensional impact of the triumph of this revolution and the manner in which it shaped the contours of human civilizational advance in the 20th century.

Thus, the Central Committee decides to:

- 1. Intensify campaigns, protests and militant actions in all the states on the growing burdens being imposed on the people – growing unemployment; price rise; agrarian distress-relief to peasantry; on land issue; denial of legal entitlements due to compulsory Aadhar enrolment for rations in PDS, MNREGA wages, welfare schemes etc – focusing on the pressing issues of people in local areas.**
- 2. Organise campaigns in all states on the Kashmir situation.**
- 3. Build anti-communal platforms with democratic and secular forces.**
- 4. Strengthen joint activities/actions with dalit groups.**

5. **Conduct campaign against the growing attacks on women and children.**
6. **Campaign against this BJP government's surrender to US imperialism.**
7. **Successfully implement the centenary of the Great October Socialist Revolution.**