

Tel. 23344918,23747435
23363692, 23747436
Fax: 23747483



COMMUNIST PARTY OF INDIA (MARXIST)

Central Committee Office

A.K. Gopalan Bhawan, 27-29, Bhai Vir Singh Marg New Delhi 110 001

Website: <http://www.cpim.org> email: cpim@vsnl.com

Report On Political Developments

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INTERNATIONAL

The Threat Of War On Iraq

The US threat of war against Iraq has occupied centre-stage in international affairs. The relentless US drive to launch a military attack and occupy Iraq has roused concerns of people all over the world in an unprecedented manner. The last few weeks have seen events of extraordinary significance. It has shown up starkly the consequences of US superpower hegemony. It has also led to the worldwide resistance to this hegemony. The spectacular growth of the anti-war movement involving millions of people is a momentous event. The anti-globalisation movement, which had been picking up momentum, has now been transformed in the face of the threat of war into an anti-war movement. This is the new striking feature of the growing anti-imperialist and anti-American sentiment developing all across the world.

When the November, 2002 meeting of the Central Committee took place, the UN Security Council had just adopted resolution 1441 unanimously, on the basis of which UN weapons inspectors went back to Iraq. After sixty days, they reported back to the Security Council on January 27. Subsequently, they delivered another report on February 10. The sum and substance of this report was that inspections were progressing and Iraq was cooperating in providing access to all sites and material. There were certain areas where further investigations were required, but there was no evidence of Iraq having any weapons and mass destruction. The United States displeased over the failure to get an opportunity to push the Security Council towards a resolution for military action has been repeatedly threatening that it will act alone. Bush has declared that the UN would become irrelevant if it does not accede to America's vision.

It is on this issue that sharp divisions emerged between the US and its British ally, on the one hand, and the two major European countries -- France and Germany -- on the other. Earlier, France, Russia and China, the other permanent members of the Security Council had declared that they are opposed to war. With Germany taking a firm stand and linking up with France, a formidable opposition

developed within the western alliance and NATO. The United States has the support of some of the right-wing governments like Italy and Spain. Further, it mobilised the East European countries in its orbit to support its stand. But the opposition of countries like France, Germany, Greece and Belgium has split up the traditional allies of the US. The inter-imperialist contradictions have appeared in a sharp form. The major countries of Europe like France and Germany are apprehensive of the total domination that the United States will acquire if the huge oil reserves of Iraq falls into its hands. The shift of the balance of forces in the Gulf region would badly affect Europe's interests and the ambitions to forge a powerful European entity.

Unprecedented Anti-War Movement

More significant is the dramatic manifestation of the anti-war movement. The first phase of protests, which were held in the period September to November 2002, culminated in the half a million strong march in Florence against the war at the time of the European Social Forum. January 18 saw worldwide protests in which tens of thousands of people assembled. In Washington, half a million people protested on that day. The February 15 protest march was truly global and unprecedented in scale and size. London saw one million people marching, the biggest ever in British history. 122 Labour MPs defied their government stand and voted against the war in Parliament. Rome saw a million people marching. In New York, three hundred and fifty thousand people demonstrated, in Madrid, three hundred and fifty thousand joined and an equal number in Barcelona. In Australia, the anti-war demonstrations were huge with Sydney march alone being two hundred and fifty thousand. It is significant that some of the biggest demonstration have taken place in countries like Italy and Spain where the government is supporting the war. In India, there was a march of 20,000 people in Kolkata, a big meeting in Thiruvananthapuram and protests in other centres. Altogether, there were protests in 600 cities in 60 countries.

The last major anti-war movement was during the Vietnam war. The millions mobilised now is bigger than the movement then. Further, the mass mobilisation is taking place before the war has begun while the anti-Vietnam movement grew in the last phase of the war.

Faced with this global peace movement, Bush and Blair are obstinately refusing to back down after amassing one hundred and fifty thousand US troops and thirty thousand British soldiers. By end-February, there were more than two hundred thousand soldiers in place and a naval and air strike build up which is capable of completely destroying Iraq.

Growing US Isolation

The United States after initially stating that a second resolution of the Security Council is not required to take action against Iraq has now tabled a resolution alongwith Britain to get authorization for a military attack. This has been done to

help Tony Blair out who is facing universal opposition to the war plans in Britain and whose opposition would become untenable if the UN does not sanction use of force. France, Russia and China have expressed their firm opposition to such a resolution. The Russian and Chinese foreign ministers met and issued a joint statement in this regard. The use of the veto against such a resolution or the failure of the United States to muster the nine votes required would mean that any military action by the United States would be without the sanction of the UN. On March 7, the report of the UN inspectors would be presented again to the Security Council. After that the vote on the US resolution would be sought. This would be a crucial juncture.

In the meantime, the Iraqi authorities have announced their willingness to comply with the directive of Chief Weapons Inspector to destroy the short-range missiles which it possesses. This step would undermine the American case and strengthened the hands of those who are arguing that further time be given for inspections.

Even if the majority in the Security Council oppose war and refuse to pass a resolution endorsing military action, the Bush administration is now set for a war which could begin any time after mid-March. The remaining days must be utilised for stepping up the anti-war efforts at the political, diplomatic and mass level.

Indian Stand

The Vajpayee government while formally stating that it does not want a war is refusing to take a categorical stand opposing the US war effort. Given its pro-US orientation and abandonment of an independent foreign policy, it is restrained from adopting any position of support to the US only because of public opinion in the country. The Indian government did not work for a strong resolution in the NAM summit held at Kuala Lumpur recently against the war on Iraq. It played a role in the dilution of the resolution which stresses more on compliance by Iraq of the UN resolutions. In Parliament, the government refused to have a resolution adopted opposing the war on Iraq and agreed only to have a discussion on the matter.

One of the reasons why there has been no widespread involvement of the people on Iraq is the influence of the BJP-RSS combine. Their constant propaganda that India is with America in its war against terrorism and the purveying of anti-Muslim sentiments had an impact. There is a section of the media which sees America's attack on Iraq as a fight against terrorism and equates Iraq with Pakistan. It is totally untrue. Apart from the exposure of America's hegemonistic designs, it should be emphasised that Iraq is one of the major Arab states which has been consistently secular.

After the last Central Committee meeting's decision, the Party has taken up the threat of war on Iraq and for mobilising against it. There have been a number of

protest marches and meetings all over the country. But given the scale of the anti-war movement around the world, the mobilisation in India is comparatively small and limited. Only the Left parties have taken this task seriously. Most of the secular bourgeois parties and, in particular the Congress, have failed to mobilise the people. Gradually however, more and more people are speaking out in protest and joining the anti-war marches. We must, in the coming days, continue to campaign against the serious threat posed by the United States to Iraq, to the national sovereignty of all the countries and to express solidarity with the people of Iraq. All efforts should be made to involve other political parties and forces to unitedly campaign and mobilise the people.

Palestine

The Sharon government in Israel has utilised the growing build-up for war against Iraq to step up its attack on the Palestinian people. After occupying towns in the West Bank, the Israeli armed forces are now concentrating its operations in the Gaza strip. After the success of Sharon's Likud Party in the elections, there will be more aggressive moves to establish Jewish settlements in the occupied territories. A war on Iraq will provide the cover for crushing the Palestinian movement and the Palestinian Authority under Yasser Arafat.

North Korea-US Confrontation

A growing confrontation has developed between the United States and the DPRK on the nuclear issue. North Korea has charged the United States with reneging on the 1994 agreement after the US decision to suspend fuel oil supplies. The DPRK announced that it will immediately open a nuclear reactor which it had closed for eight years and would resume construction of other facilities. It removed the UN monitoring equipment in the nuclear reactor and asked the IAEA inspectors to leave. The DPRK has also announced its withdrawal from the Nuclear Non-Proliferation Treaty. The US had agreed to supply 500000 tonnes of heavy oil a year until the two light nuclear reactors built with funds from South Korea and Japan were completed. The United States has accused North Korea of embarking on a nuclear weapons programme using highly enriched uranium. Japan has stopped giving aid to North Korea.

The Bush administration which is fully concentrating all its military preparations for an attack on Iraq is unable to immediately take any aggressive action against North Korea. 37000 US troops are stationed in South Korea where anti-American sentiments are increasing among the people. The new President-elect in South Korea has taken a stand that the USA and North Korea should negotiate and come to a peaceful settlement. He has refused to line up with the United States for a hostile confrontation with the North. With its focus being on Iraq, the Bush administration is talking about diplomatic steps to defuse the situation. Both Russia and China have appealed to both sides to honour the 1994 agreement.

Venezuela

Another area which has witnessed a bitter struggle between the forces of reaction backed by imperialism and the popular forces is Venezuela. After the bid to topple President Chavez in April 2002 was foiled and he was restored to office within three days, the right-wing forces in Venezuela did not give up their renewed efforts to dislodge Chavez.

In the month of December, the nationalised oil company managers and employees began a strike which lasted for two months. Some other sectors also joined the strike called by the trade union associated with the right-wing forces. The urgency of the capitalist-inspired strike was that several laws were scheduled to take effect, including a sweeping land reform measure and other steps which would permit the dismantling of the monopoly oil group that controls the economic life of the country. Only 20 per cent of the oil revenues go to the government while 80 per cent benefits the country's elite. With the sharp drop in the oil production and revenues and the fall in the value of the currency, serious economic problems were created.

But the determined effort to oust Chavez was foiled once again. There was a big popular mobilisation in support of Chavez and to counter the right-wing mobilisation. The calling off of the oil strike was the second victory for Chavez in the face of a gang up of all reactionary forces including some army officers.

With the installation of Lula to the Presidency in Brazil, the foiling of the second coup attempt in Venezuela and the success of the Left-oriented candidate in Ecuador, the opposition to neo-liberal policies and US hegemony in South America will increase.

Global Economic Slowdown

It is in the background of the looming threat of war that the global economy continues to experience a slow down. The United States economy is still unable to revive and there are fears of a recession if the war breaks out. The value of the dollar has been declining. The unemployment level in the United States continues to be around 6 per cent. The price of oil has shot up to \$ 36 a barrel and it will go up further if Iraq is attacked. The economies of the two other major capitalist centres -- Japan and Germany -- are still showing no signs of revival. Germany has an unemployment rate of 10.3 per cent in January 2003 which is the highest in the last four and a half years. The economic difficulties of Germany is acting as a drag to the twelve other countries sharing the Euro currency in the European Union.

The global economic outlook does not hold out hope that there will be an improvement in the year 2003 compared to last year. According to the annual report from the United Nations, *World Economic Situation and Prospects, 2003*, total

world output in 2002 was estimated to have grown by only 1.7 per cent in real terms, which is one of the lowest annual rates recorded since the second world war. The advanced capitalist countries showed the lowest rates of growth with GDP continuing to decline in Japan and only one per cent growth in the European Union.

The US economy, which has a vital bearing for the global economy, showed no signs of sustained growth with the GDP at 2.4 per cent last year. All the efforts made by the Bush administration for recovery has not yielded results. World trade, in terms of volume, grew at only 2.3 per cent which affected the prospects of many developing countries. The South and South Asian regions expanded at the GDP rate of 5 per cent, which is mainly due to domestic demand and expansion of service sector. In 2002, for the sixth consecutive year, developing countries made a net outward transfer of financial resources which means it sent out more capital than the receipts.

The only exception to the overall slow down was the economy of the People's Republic of China which grew at more than 7 per cent last year. The US war on Iraq would heighten international tensions leading to increase in oil prices which will further affect the economic prospects.

WTO: New Attacks in Offing

On the WTO front, the new round of negotiations launched after the Doha meeting in October, 2001 poses new threats to the interests and sovereignty of the third world countries. As far as agriculture is concerned, the talks held so far, including the recent ministerial round at Tokyo, has led to no progress on reducing subsidies in agriculture. The European Union has announced that there is no question of reduction of subsidies till 2006. The USA can be expected to follow. In fact, the US has stepped up the subsidies given to US agriculture. The pressure will be on the third world countries while the rich countries will continue to heavily subsidise their agricultural output. They will be pressurising India and other developing countries to reduce tariffs. After the removal of quantitative restrictions on imports, the only protection offered to tariffs will now be sought to neutralise.

Another issue of serious concern is the negotiations on General Agreement on Trade and Services (GATS) where the Indian government has tabled education as an item for exchange of concessions. Treating education as a tradable service must be strongly opposed and the opening of this sector to foreign educational service providers will be very harmful. The onslaught on education and profiteering from it would be detrimental to the right of education for the people. Before the Cancun ministerial meeting to be held in September 2003, there should be a powerful campaign to demand that the government of India stand by its promise that it will block any consensus decision at the ministerial meeting on issues which affect the interests of India.

World Social Forum

The World Social Forum 2003 meeting held at Porto Alegre in Brazil saw a big mobilisation of the anti-globalisation forces. Thousands of people from 5717 organisations from 156 countries participated. The forum was held in the backdrop of the victory of the Left candidate, Lula, for the Presidency of Brazil which also enthused all the participants. A significant feature of the meeting of this forum this time was the powerful anti-war protest registered there against the US threat of war against Iraq. Within the framework of opposition to the imperialist-driven globalisation, many ideological streams ranging from the Marxists to social democrats, liberation theologians to environmentalists were represented in this mass movement.

Prior to the Porto Alegre meeting, regional forums were held in Europe (At Florence) and Asia (at Hyderabad). The WSF has decided to hold the next World Forum at India.

NATIONAL

Gujarat Elections And After

The victory of the BJP in the Gujarat assembly elections has emboldened the BJP-RSS combine to more aggressively put forth its Hindutva agenda. The success of the BJP in improving its tally by winning over two-thirds of the seats comes in the background of the worst communal pogrom which was State-sponsored.

The large-scale violence erupting after the Godhra attack and the mass killings of minorities created a communal polarisation which benefited the BJP immensely. The terrorist attack on the Swaminarayan temple further consolidated its support base. The communalisation of society and the middle classes in Gujarat has been going on for a long time. The Vishwa Hindu Parishad is the main organisation which has been working among different sections of people. The Congress was no match for the aggressive communal campaign launched by Narendra Modi. Instead of gearing up to meet this offensive squarely, the Congress adopted a soft posture and instead of confronting these forces politically and ideologically tried to raise issues of development and governance.

During the last Central Committee meeting, it was noted that though the Party had earlier called for a one-to-one fight to defeat the BJP, there was no likelihood of a broader understanding emerging between the Congress and other secular parties. The lack of unity among the secular parties with the NCP and the Samajwadi Party contesting a large number of seats also affected the outcome in a number of seats. The split between the Congress and the NCP votes affected the outcome in at least 18 seats. The Congress also suffered a setback in the tribal belt in central Gujarat where it conceded many of its traditional seats to the BJP.

The victory of the BJP has heralded a more aggressive pushing of the communal agenda. An immediate outcome has been the stepping up of the campaign by the VHP on the Ram temple. In its meeting held in end-December, the VHP issued an ultimatum to the Centre to clear all obstacles for handing over the land acquired by the government outside the actual site where the Babri Masjid stood. The VHP set a deadline of February 22, the date on which it convened a "dharma sansad". Of the 67 acres acquired by the government, the VHP is demanding that except for the area where the Masjid stood, the rest be handed back to its owners, including the Ram Janmabhoomi Nyas.

Temple Issue: Centre's Move

The Central government, in order to appease the VHP, moved the Supreme Court to lift the stay it had imposed through an interim order in March 2002 prohibiting any religious activity at the acquired land, or, altering its status. The Central government, by asking for the vacation of the stay, was signaling to the VHP and the Hindutva forces that it is prepared to take steps to clear legal hurdles towards handing over the "non-disputed" part of the land. The VHP plan is to begin construction of these portions of the land of the temple which will eventually lead to the temple construction being extended to the site where the Babri Masjid stood and thus make the temple a *fait accompli*.

The Supreme Court did not agree to have an early hearing on the government petition for removal of the stay and decided to take it up only on March 6. In the meantime, the government entrusted Murli Manohar Joshi to liaise with the VHP so that any decision by it will not lead to difficulties for the Central government.

The VHP held its "dharma sansad" on February 22 and 23. It gave a call for a campaign to mobilise support for the temple from March 5 to 24 all over the country. This is to be followed by a mass rally in Delhi to pressurise the government to allow temple construction. With the government itself requests the Court to vacate the stay on the acquired land at Ayodhya, the claim of the VHP that historical evidence exists for the temple through a so-called laser study and the demand being endorsed by the Prime Minister, the stage is set for an escalation of the temple issue to suit the BJP's electoral requirements for the assembly elections in four states later this year.

Raising Tensions

Apart from the Ram temple issue, the most aggressive wings of the RSS -- the VHP and the Bajrang Dal -- have been activated to rake up issues which can cause communal tension and target the minorities. Praveen Togadia, general secretary of the VHP, visited Baba Budangiri in Karnataka where the VHP has been conducting a campaign for taking over the Sufi shrine.

In Rajasthan, the VHP and the Bajrang Dal have been distributing mini *trishuls* at public functions. In Madhya Pradesh, tensions were stoked up at Dhar where RSS, through the Hindu Jagran Manch, is demanding the handing over of an old historical monument to be converted as a temple. The Bhojshala/Kamal Moula Masjid dispute was raised first in 1930. The then king of the princely State had ruled that it was a mosque. This is at present, according to a court order, accessible to the Muslims for prayer on Fridays and the Hindus once a year during *basant panchami*. Violation of prohibitory orders and clashes had led to an imposition of curfew in surrounding areas. There have been attacks on minorities and two persons have been killed. In Uttar Pradesh, the BJP state President Katiyar took out a rath yatra raising provocative issues. In Assam, jathas are to be organised by the BJP to demand repeal of the IMDT Act and the VHP has given a call to detect foreign nationals. All these are designed to raise communal tensions.

Both in Madhya Pradesh and Rajasthan, the BJP is picking up issues which can divide Hindus and Muslims and create a communal polarisation. This is, keeping in the mind, the assembly elections to be held later this year in October-November. The inflammatory rhetoric of Togadia, at one end, and the speeches of BJP leaders, including the so-called moderate Vajpayee, indicate an orchestrated effort to push the communal agenda for electoral gains in the assembly elections to be held this year. Rajasthan, Madhya Pradesh, Chattisgarh and Delhi are states where the BJP has a base and they are concentrating on a divisive agenda to make headway.

The BJP sees an opportunity to reverse the trend of electoral erosion and setbacks it had received in the series of assembly elections in the previous two years. The Gujarat results are seen as a springboard to launch a counter offensive.

In doing so, the BJP is paying scant regard to the opinions of its NDA partners. The lip service being paid to the NDA agenda is now given up. L.K. Advani categorically asserted that the NDA agenda is for the government while the BJP will take up its own issues like Ram temple, Article 370 and Common Civil Code in its election campaign.

Assembly Elections

Tripura: Significant Victory

With the announcement of the elections, the extremist NLFT stepped up its attack targetting the CPI(M), the GMP and its supporters. From the announcement of elections till the polls, 34 Party members and supporters were killed. The brunt was borne mainly by the tribal cadres and supporters. The NLFT terror campaign was designed to help the Congress-INPT alliance. The links between the INPT and the NLFT and their coordination became evident during the election campaign. The Party, for the past four months, had conducted a widespread and resolute campaign to expose the Congress-INPT alliance, to champion the tribal-non tribal unity and to propagate the positive record of the Left Front government.

The assembly elections to Tripura, Himachal Pradesh, Meghalaya and Nagaland were held on February 26. The results have to be seen in the context of the national situation described above.

The success of the Left Front for the third successive time with a two-third majority is a significant victory. It will strengthen the Left and is a recognition of the pro-people policies and performance of the Left Front government headed by Manik Sarkar. The fact that the Left Front has won 41 of 60 seats with 50.89 per cent of the vote testifies to the strong popular support for the CPI(M).

It is an endorsement of its record of maintaining tribal-non tribal unity in the face of heavy odds. The state unit of the Party worked courageously and determinedly, facing the terrorist violence, to achieve this big victory.

Himachal Pradesh

The BJP has been badly defeated in the Himachal Pradesh elections. It is a setback for its efforts to repeat the Gujarat model all over the country.

The BJP has been badly defeated in the Himachal Pradesh elections, despite a concerted attempt to cash in on its success in the Gujarat elections. The BJP has got only 16 out of 65 seats while the Congress got 40 seats. All efforts were made by the BJP leadership to rake up the issues in the communal agenda. The Prime Minister himself raised the temple issue in a manner which undermined the secular principle to be upheld by the government. The campaign of the BJP was aimed at repeating the Gujarat success. The people of Himachal Pradesh have firmly rejected such a platform. They have decisively voted out the Dhumal government for its misrule and corruption. Unable to face the fact that their communal platform has failed to evoke support, the BJP leadership is seeking to cover-up its political defeat under the excuse of disunity and factionalism.

The Party contested three seats. It conducted a good campaign in Shimla seat and came second, polling nearly ten thousand votes (31.6 per cent of the votes polled) and lost to the Congress by nearly 2000 votes.

The Congress emerged as the largest single party in Meghalaya leaving behind its main rival, the NCP. It has been able to put together a coalition with other regional groups to form the government.

In Nagaland, the Congress has been defeated with the Jamir government being removed from office after ten years. The NSCN (I-M) campaign against the Congress in the background of its peace-talks with the Centre was an important factor in the election. A coalition consisting of the Nagaland People's Front, the BJP and other allies has formed the government. The BJP has been successful in roping in some politicians from other political groupings and win six seats in the elections.

The two by-elections in Uttar Pradesh were noteworthy for the defeat of both the Congress and the BJP in the seats it held -- Gauriganj and Haidergarh respectively. The Congress came third in the assembly segment in Sonia Gandhi's constituency while the BJP also came in third position in Haidergarh. The BSP won in Gauriganj while the SP got the Haidergarh seat. The results indicate that the BJP is losing ground as a result of its alliance with the BSP.

Cabinet Changes

The Cabinet reshuffle undertaken before the budget session of Parliament was mainly designed to strengthen the BJP's electoral prospects in the forthcoming assembly elections. Three of the ministers relieved from the Cabinet have been sent as presidents of the state units of Rajasthan, Madhya Pradesh and Chattisgarh to lead the campaign.

The shifting out of Pramod Mahajan from the Cabinet, though presented as a step to strengthen the party organisation, was actually meant to remove him from the Telecom Ministry given the widespread complaints about his partisan stand in the telecom dispute between the private cellular companies and the land-based operators, mainly represented by Reliance. The additional portfolio given to Arun Shourie and Arun Jaitley of ministries like industry, commerce and communications indicates that the right-wing economic policies will be pursued more vigorously.

Uttar Pradesh Events

It is in this context that the BJP's strategy in Uttar Pradesh must be seen. Having installed Mayawati as the Chief Minister and formed a coalition government in which it is the junior partner, the BJP is hoping to recover lost ground. In the last assembly elections, the BJP has come third getting lesser seats than the BSP. Mayawati, as Chief Minister, is doing everything to consolidate her position which is affecting the BJP's support base. When certain MLAs of the BJP belonging to a particular caste revolted, they were expressing their resentment at the BJP's subordinating itself to the BSP. The Mayawati government, at one stage, was in a minority. But precisely at that time, the Congress party refused to take a stand in demanding a confidence vote and the formation of an alternative government. But the abstention of the 23 MLAs of the Congress in a by-election to the legislative council helped the BSP-BJP alliance to stem the revolt.

In the counter attack, Mayawati has targetted the independent MLA, Raghuraj Pratap Singh, who has been arrested under POTA. The BJP, despite protesting against the use of POTA, has now quietened down after the intervention of the Central leadership. For the BJP national leadership, maintaining the alliance with Mayawati, to win the Lok Sabha elections is vital. With BSP's solid base, the BJP hopes to win the elections which would otherwise be difficult.

Congress Failure -- Compromising Attitude

The Gujarat election results put the Congress in confusion. Having adopted a soft Hindutva stance with Shankar Singh Vaghela as the president of the Gujarat Congress, the sweeping victory of the BJP left the Congress disarmed. Not having taken a firm and principled stand against the communal offensive, the Congress finds it difficult to come up with a coherent and clear platform of fighting the communal agenda.

A striking illustration of this disarray and tendency to compromise with the communal issues is seen in the stance taken by Digvijay Singh, the Madhya Pradesh Chief Minister. After the riots engineered by the VHP-RSS in Ganjbasoda on the false plea that a cow had been slaughtered, Digvijay Singh has taken up the cause of the cow. He wrote a letter to the Prime Minister demanding a national legislation against cow slaughter and a ban on beef exports. At his instance, the Madhya Pradesh Congress has taken up a campaign for complete ban on cow slaughter and beef exports. The campaign has gone to the ridiculous extent of getting Muslim Congressmen and women to demonstrate for these demands.

In another somersault, Digvijay Singh has partially endorsed the concept of Hindutva as advocated by Savarkar, saying that it is an inclusive one which accepts all those who live in this side of the Indus as Hindus. Such blatant opportunism and efforts to outmanoeuvre, the BJP will only further legitimise its communal agenda. The RSS would be happy to have a situation where both the Congress and the BJP compete each other to propagate its pet theories. Further, on the "Bhojshala" issue, after violence broke out due to the Hindu Jagran Manch agitation, Digvijay Singh has announced that he has recommended to the Centre that Hindus be allowed to enter the monument every Tuesday but do no *puja*. This is tantamount to accepting their demand as once they enter, *puja* cannot be stopped. In fact, the Centre has now modified his proposal and stated that *puja* materials can be taken in.

The BJP-led government at the Centre is considering bringing a Central legislation to plug loopholes in the anti-cow slaughter ban. At present, such legislation has been enacted by the states. Kerala, West Bengal and some of the north eastern states do not have such laws. The Congress party will find it difficult to oppose it after the stand taken by its Chief Minister and party in Madhya Pradesh.

The hesitation to take a forthright position on the communal issues was seen, once again, at the opening of the budget session of Parliament. All the opposition parties met and decided that the government's move on Ayodhya must be taken up seriously. The Congress was unprepared to move an adjournment motion on the matter on the thinking that raising of such an issue in Parliament would have its impact on the assembly elections in Himachal Pradesh. The CPI(M) had to move an adjournment motion on the dangerous stand of the Centre in the court that the stay be vacated.

The compromising stand of the Congress will cost the country heavily as it will further embolden the BJP to aggressively take up the divisive communal issues. It also helps the BJP to rally its NDA partners who have reservations about the Hindutva agenda. The CPI(M) and the Left parties must counter the compromising trend of the Congress and take the initiative to mobilise and fight the BJP-RSS combine whenever it pushes the divisive communal agenda.

Economic Situation

Despite the rosy predictions about economic recovery and growth, the hard realities of the difficult economic situation can no longer be hidden. After claiming that there will be a 6.5 per cent GDP growth in 2002-03, the mid-term economic review revised that estimate down to 5.5 per cent. The latest advanced estimate made by the Central Statistical Organisation puts the GDP growth to the current fiscal year only 4.4 per cent.

The slow down in the rate of growth is mainly attributed to the disastrous performance of the Indian agriculture which faced the worst drought in 2002. Agricultural production registered a negative growth of 3.1 per cent. Total grain output will drop by 13.6 per cent, or, 29 million tonnes, that is from 212.42 million tonne in 2001-02 to 183.17 million tonne. There has been a drop of 25 per cent in oilseeds production and 11.4 per cent in cotton. Industry has registered a unimpressive growth rate of 5.3 per cent of the average index of industrial production from April to December, 2002. The per capita income growth rate is 2.4 per cent in 2002-03, the lowest in recent times. 70 per cent of the GDP goes into the payment of government debt.

With the increase in oil prices, the huge import bill burden will upset the balance of payment position. Oil at \$ 36 a barrel (current price) will cost India an additional \$ 9 billion per year. Already, the overall trade gap stands at \$ 13 billion.

In such a situation, the conditions and lives of the ordinary people are deteriorating. The drought-affected areas have seen hunger and malnutrition. The inadequate relief has hardly given any succour to the farmers. The collapse of the public distribution system makes a mockery of the huge foodgrains stocks. The Tenth Plan document has admitted that employment potential has shrunk.

The aftereffects of the drought continues to be serious in many states. In Rajasthan, Madhya Pradesh, Andhra Pradesh, Tamilnadu and other states the peasantry have lost their crops or not been able to sow them. The struggles for getting adequate relief and compensation are continuing.

Tenth Plan

The tenth Five Year Plan document prepared by the government is an unrealistic one and shows how much planning has become irrelevant after a decade of

liberalisation. The Plan has set out an annual target of 8 per cent growth. An impossible target, given the fact that the investment and savings rates which are currently at 24 per cent will have to be hiked up to 28.4 and 26.8 per cent respectively. The incremental capital output ratio (ICOR), which is the output generated by each unit of fresh investment, is at present 4.5. The draft states that this should be lowered to 3.6 which is also unrealistic.

The total public sector allocation is Rs. 15,25,639 crore, of which Rs. 6,32,456 crore is for the states. The Plan will have to be financed through increased borrowings. 39 per cent of the State Plan fund is from the borrowings. The outstanding debt of all state governments rose to about Rs. 5 lakh crores in March 2002. Given the fact that most of the states are drowning in debt, it is certain that the targets for raising funds for the states will not be met.

According to the Plan document itself, there has been a steady drop in public investment in agriculture. The gross capital formation in agriculture in the public sector fell from 33 per cent in 1993-94 to 24.2 per cent in 2000-01. The document also admits that the current backlog of unemployment at around 9 per cent is equivalent to 35 million. It also states that the tax GDP ratio has been declining from 10.3 per cent in 1991-92 to 8.6 per cent in 2001-02.

The Tenth Plan document is honest in admitting that nothing much can be done in the sphere of land reforms. It admits that there is not much scope for getting any more land under the ceiling laws for distribution. Instead, as per the World Bank prescription, it prescribes providing loans for land purchases as a means to provide land to the landless and dalits. Of course, there will be interest on the loan taken by the landless.

The BJP-led government has virtually given a hasty burial to the planning process.

Budget

The Union budget carries forward the pro-imperialist agenda of the government. Like the previous budgets, it is explicitly pro-rich and anti-poor, providing major fiscal concession to big business and the rich, and implying further increases in living costs of workers and peasants. It does nothing to address the two most crucial problems of the Indian economy today, that is the crisis in agriculture and the collapse in employment.

It has opened the way for the de-Indianization of the banking sector and the privatization of nationalized banks: henceforth, not only are foreigners allowed to hold up to 74 per cent of equity in private banks, but the latter in turn are allowed to "merge" with nationalized banks.

At the same time, the budget is remarkably silent on the problems facing the people. It has nothing to offer to the peasantry reeling under the impact of price-

crashes; on the contrary it actually raises the price of fertilizers at the very time when output prices have crashed. The Budget talks of making agricultural credit available at 2 percent above the Prime Lending Rate, but since the amount of credit for agriculture has itself declined to well below the stipulated “norm”, with private, especially foreign, banks being the worst culprits, the rate reduction means little.

No Employment Expansion Schemes for putting purchasing power in the hands of the poor figure in the budget. The claims about Poverty Reduction therefore are completely untenable. In any case the idea that spending an extra Rs.507 crores on Antyodaya would make a dent on poverty can scarcely stand scrutiny.

The employment scenario is likely to get even worse as a result of the dereservation of SSI items, and the whole array of cuts in Customs Duties. The reduction in peak customs duty from 30 per cent to 25 per cent would adversely affect small industry that is already facing the problem of import competition. The cut in the interest rate of small savings including the provident fund rate affect ordinary people and pensioners.

The 50 paise cess on diesel will have a cascading effect on all costs and prices, including in the agricultural sector. In the name of controlling adulteration, an additional excise duty of Rs. 1.50 per litre has been imposed on light diesel oil, which will further hit the production conditions of cultivators, and the living standards of all ordinary people. On top of all this, a duty of Rs. 50 per metric tonne is being imposed on domestic and imported crude oil, in the name of refurbishing the National Calamity Contingency Fund. These amount to indirect taxes of a regressive nature, even as there are huge concessions on many direct taxes.

Privatisation

After putting up some opposition to the privatisation of the HPCL and BPCL oil companies, the NDA partners arrived at a compromise which would allow the government to go ahead with the privatisation of the HPCL immediately and the phased privatisation of the BPCL.

The government has decided that HPCL should be handed over to a strategic partner by selling off 26 per cent of its shares, while the BPCL the government would sell off 40 per cent of its share. It was also decided not to allow public sector units like the ONGC to bid for HPCL which will ensure the government to foster private monopolies of foreign and India in the strategic sector. Even though the HPCL and BPCL were constituted after the nationalisation of foreign oil companies by legislation adopted in Parliament, the government has refused to see parliamentary approval.

The employees of both the companies have decided to go a three-day strike between March 25 to 27. The sale of the companies in the strategic oil sector has to be vigorously opposed and fought.

Attack On Land Reforms

The steps to reverse land reform laws and hand over surplus land above the ceiling and waste land with the government to the corporate sector and MNCs are going on. The Congress government in Assam has handed over 80 acres of such surplus land cultivated by peasants (in Kamrup district) to businessmen. In Jharkhand, 36 thousand acres of land in Ranchi is being handed over to private industries. In Karnataka, Tamilnadu, Orissa and some other states, such moves are on. The Party must actively oppose such measures in cooperation with the peasant movement.

Jammu & Kashmir

After the elections and the formation of the government headed by Mufti Mohd. Syed, the government of Jammu & Kashmir had requested the Centre to initiate a dialogue with all forces for a solution to the Kashmir problem. To begin with, the state government demanded that the Centre fulfill the promise made by the Prime Minister that a dialogue would be held with the elected representatives. For three months, the BJP-led government showed no interest in initiating such dialogue. Only during the current session of Parliament, it was announced that N.N. Vohra, a former Home Secretary, will be the Centre's representative to talk to the elected representatives and other groups. Earlier, K.C. Pant was designated for such an exercise, followed by Union Minister Arun Jaitley. The terms and framework for the Vohra assignment are still to be worked out.

In Jammu & Kashmir, popular expectations from the government remained high. Despite attacks by the extremists, including the killing of a PDP MLA, there is goodwill for the new government. It is important that the steps outlined in the common minimum programme are taken up seriously for implementation, so that some relief for the people and an improvement in the economic conditions takes place.

Countrywide Campaigns And Struggles

There have been, in the last three months, big mobilisations and campaigns against the economic policies and anti-worker measures of the government. At the call of the national assembly of trade unions, on January 8th, several lakhs of workers courted arrests and held militant demonstrations all over the country. The widespread response to the *satyagraha* call provided the momentum for the February 26 march to Parliament. The march saw a big turn out with one lakh workers joining from various industries, included the public sector. The rally has given a call for a general strike in this session of Parliament.

Among the important political mobilisations in this period has been the massive rally held at the Brigade Parade ground in Kolkata by the state unit of the CPI(M). The rally condemned the policies of the BJP-led government and the US conspiracies against Iraq. Among the rallies held by various political parties in the recent period, this was the biggest.

The Left Front in West Bengal conducted a 476 kilometer march through six districts to highlight the problem of erosion of the banks of the rivers Padma and Ganga. The erosion is leading to land being lost and recurrence of floods every year. The agitation is to demand that the Centre allot sufficient funds to check the erosion. Alongside, other marches were held and they all converged in Kolkata on March 2.

In Assam, the Party conducted an anti-eviction agitation in Guwahati, Darrang-Sonitpur and six other districts which met with a big response from the people. In Maharashtra, the Party conducted an anti-communal campaign with seven public meetings in five districts from January 28 to 31. In Andhra Pradesh, to demand drought relief measures, picketing was organised by the Party at all district collectorates on February 24. The protesters were severely lathicharged at Hyderabad, Warangal and Anantapur.

Another important event during this period was the Asian Social Forum held at Hyderabad. Around 15,000 registered delegates participated in the five-day meet. Around 900 delegates came from Asian and other countries.

Around 5 lakh workers and their families organised by the CITU laid siege to the government secretariat in the state capital and all the thirteen district collectorates in Kerala on January 28 protesting against the Antony government's policies of liberalisation, anti-working class measures and the loan agreement with the Asian Development Bank. The siege drew an unprecedented response from the workers in all sectors, including the coir, cashew, beedi, handloom, fisheries and other traditional industries. The coir workers in Alappuzha district won important demands after a protracted struggle. The government was forced to reverse certain decisions which were in tune with its liberalisation outlook.

Conclusion

The period since the Gujarat elections has seen the BJP taking the offensive. It has openly declared that it will go ahead with the communal agenda. On the ground, the VHP/Bajrang Dal is aggressively intimidating the minorities and raising the communal temperature. In the face of this, the Congress response has been weak-kneed and worse the tendency to compromise with the communal agenda also emerged. The Congress is unable to take on the BJP-led government on the economic front also, given the similarity of its policies and class interests. All these factors have led to large sections of the big bourgeoisie rallying around the BJP, including some which were getting alienated, as they find no viable alternative in the Congress.

In such a situation, we have to adopt a two-fold course. Firstly, we must step up the Party's independent campaign and struggles and united Left activities. Secondly, we have to rally all those non-Congress parties, outside the NDA fold, who can come with us to take a joint stand on political issues and for launching united movements. As far as the Congress is concerned, we should continue to cooperate with them on agreed issues alongwith other secular parties inside parliament. It is through this process that we can meet the immediate needs of the situation to fend off the communal onslaught and also build up the strength of the Left and democratic forces.

The call for a one-day general strike by the trade unions should be made the focus of a countrywide campaign. All the mass organisations of the kisans, agricultural workers, women, youth and students should conduct their independent campaigns on their own demands to make the general strike a sweeping and powerful action.

The Party should conduct its independent campaign and launch struggles on four major issues in the coming period.

- The first issue is the imminent threat of war on Iraq. In the coming few weeks, before America launches its attack, all Party units should take the initiative to mobilise all political forces and sections of the people, so that a powerful anti-war movement is developed throughout the country.
- The Party will conduct a widespread campaign against the machinations of the RSS and its front organisations and the BJP's connivance with them in stoking up communal tensions and campaign for defence of secular values and maintaining communal harmony.
- All Party units should organise protests against the attacks on the livelihood of the people through the budget proposal, such as the hike in price of diesel and fertilisers, the threat to small scale industries and employment due to cuts in customs duties and the ongoing privatisation drive.
- A campaign should be conducted for the universalisation of the public distribution system and till then, ensuring the distribution of BPL cards and providing adequate quantity of foodgrains at cheap rates for the rural and urban poor.
