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COMMUNIST PARTY OF INDIA (MARXIST)

Central Committee

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Report on Current Developments **(Adopted At the March 31-April 02, 2007** **Meeting of the Central Committee)**

INTERNATIONAL SITUATION

The period from January to end-March 2007 shows both positive and negative trends in the international situation. On the positive side, a combination of circumstances, have compelled the Bush administration to resort to a shift to diplomacy in the West Asian and East Asian region. Though tactical, this shift is a virtual admission of the major obstacles and resistance facing the U.S. attempts to foist its hegemony in world politics.

The United States was compelled to engage North Korea in a dialogue over the nuclear issue. This has been a major reversal of policy for the Bush administration. The threat and other forms of coercion held out by the USA in recent years failed to produce any results. The six-nation talks reconvened in Beijing in February. A preliminary agreement was reached whereby North Korea agreed to close down its main nuclear plant in return for fuel supply. Within three months, talks for ending sanctions and bilateral talks between the DPRK and the US for diplomatic recognition are also on the agenda. China played a key role in getting the negotiations to succeed in the six-nation forum.

The growing isolation of the United States in Latin America compelled President Bush to undertake the five-nation tour to try and win support and express US concern for Latin America's social and economic development. President Chavez's visit to certain Latin American countries during the same period evoked big support from the people.

The US is persisting with its hegemonic policies aimed at dominating the post-Cold War international system. The preoccupation with the Iraq war has not detracted the United States from proceeding with its medium and long-term policy of containment of Russia and China. This is evident from the pursuit of its missile defence programme in Eastern Europe. Again, the United States is not yet prepared to accept defeat and vacate its military occupation of Iraq. It has stepped up its confrontation with Iran and is also working for a "regime change" in Iran and Syria. It is looking for new ways to perpetuate its dominance in West Asia and maintained its unconditional backing of the Israeli regime.

Missile Defence Controversy

The defence missile controversy has erupted in the past few months. In a nutshell, following the testing of interceptor missiles last December, the U.S is seeking the deployment of these missiles and related radar systems as part of its missile defence programme in Poland and the Czech Republic. Washington maintains that these deployments are for countering threats from “rogue states” (such as Iran or North Korea) but the plea lacks credibility as neither Iran nor North Korea is known to possess any such ballistic missile capability.

At any rate, Russia (and China) perceives the US's missile defence programme to be intended in reality for neutralizing or eroding their strategic capability and thereby establishing U.S strategic superiority consistent with the American objective of establishing its global hegemony.

The proposed deployments in Central Europe make Russia particularly vulnerable. (The U.S. is planning similar deployments in the Asia-Pacific region as well). Russia has made a counter-proposal that it is prepared to jointly work with the European countries for developing a deterrent system against missile threats but the U.S. has ignored this suggestion. Russia has come to conclude that the proposed U.S. deployments in Central Europe pose a challenge to Russian security. The Russian leadership has announced that it will take the necessary counter-measures which might be “asymmetric” but would be “highly effective”.

It is under these circumstances that President Putin made a strong speech in the Munich Conference on Security Policy. He declared that a unipolar world is not only “unacceptable but also impossible” in today's world. He decried the “uncontained hyper use of force – military force – in international relations, force that is plunging the world into an abyss of permanent conflict.” He also opposed the placing of the Missile Defence system in Eastern Europe and the expansion of NATO.

A number of major West European countries such as Germany, France, Spain and Italy oppose the US's missile defence deployments in Central Europe on the ground that they create new Cold war-like divides on the European continent and would incrementally isolate Russia from the West.

Germany has been notably critical of the US over the missile defence controversy as it has close relations with Russia at the bilateral level with a trade volume in excess of US\$ 40 billion annually, besides being the largest foreign investor in the Russian economy with a rapidly growing strategic partnership based on cooperation in the field of energy.

The chill in US-Russia relations has been steadily deepening. The state visit of Chinese President Hu Jintao to Russia in the third week of March has marked a further consolidation of the Chinese-Russian strategic partnership, which is based on shared concerns of the two countries over the US's hegemonic

ambitions; the imperatives of strengthening the trends toward multipolarity; the need for a democratized world order that functions within the parameters of international law; and, the optimal use of the United Nations and other multilateral mechanisms for addressing the 21st century challenges to the world order.

Confrontation with Iran

After the United Nations Security Council adopted a resolution imposing limited sanctions on Iran in December 2006, the Bush administration stepped up its moves against Iran. The United States has made a naval build up in the Persian Gulf. Two aircraft carriers and other naval ships have been sent to the Gulf. The Pentagon has drawn up plans for an aerial bombardment of the nuclear installations in Iran. In order to justify these hostile moves, the US has accused Iran of helping the militias in Iraq with arms and equipment. The Iranian government has refused to stop enrichment of nuclear fuel. This has made the Security Council again to adopt further sanctions in March. The new sanctions are directed against financial dealings with Iranian organisations and individuals and bans the export of Iranian arms.

The United States on the one hand, is seeking to pressurize Iran to use its influence within Iraq to stabilize the situation there to the advantage of the US. With this in view, Iran was invited to an international conference in Baghdad in early March alongwith Iraq to discuss how to stabilize the situation in Iraq. On the other hand, the US policy of containment of Iran is dictated by its view that Iran poses the main threat to Israel's regional dominance. The US also is opposed to Iran's links with important non-state forces in Lebanon and Palestine as well as its strategic links with Syria. The United States also wants to scuttle Iran's growing cooperation with Russia and China in the energy field which can lead to the emergence of a unified Asian market of energy producing and energy consuming countries.

Iraq

The US is facing defeat in Iraq after four years of occupation as resistance has grown by leaps and bounds. Bush has sent in 30,000 more troops for a "surge" in Baghdad and neighbouring areas. Yet, defeat is staring in their face and the Bush administration lacks any viable "exit strategy". Britain has decided to scale down its military presence in Iraq. It is in this background that the Bush administration while threatening Iran was compelled to also call it for the international conference in Baghdad. The US strategy, however, continues to rely on the primacy of Israel in West Asia. The unity talks sponsored by Saudi Arabia in Mecca has led to a united coalition government compromising both Hamas and the PLO. US has become active to try and rally the pro-US Arab states to put pressure on the Palestinian organisations to resume talks so that the truncated Palestinian state can be brought into being.

At the same time, in the region neighboring Iraq, and internationally, the image of the US has plummeted catastrophically as a result of the Iraq war. Over the

Iraq war, the prestige and influence of the US has suffered immensely, including among the US's traditional allies like Britain, France, Spain, Germany, etc. In a general sense, the struggle against terrorism itself has been discredited as a result of the Iraq war.

The anti-war sentiments in the United States, which was reflected in the Congressional elections, has now been expressed by the Democratic majority in the Congress. Both the House of Representatives and the Senate have passed the budget for the American military operations in Iraq and Afghanistan with a condition that troops be withdrawn from Iraq by April 2008.

As long as the United States pursues this strategy, it is bound to come up with resistance and failure. After the Iraq debacle, the entire people's consciousness in the region against Western dominance has increased. Israel's military invulnerability/invincibility was effectively challenged by the Hizbollah-led resistance last year. There can be no peace in West Asia without a just and equitable solution to the Palestinian problem.

Neighbouring Countries

Bangladesh: After the deadlock over parliament elections, finally elections were postponed. The President stepped down from the post of Chief Advisor of the caretaker government. A former governor of the Bangladesh Bank has taken over as the Chief Advisor. Some of the key members of the Election Commission also resigned. A state of emergency was declared and the army deployed all over the country. These steps were taken with the support of the armed forces and it has the backing of the European powers.

Scores of leaders of the BNP and the Awami League have been arrested as part of an anti-corruption campaign. The regime has promised to revise the electoral rolls. However, there are no prospects for immediate elections. There is danger of an authoritarian regime with military support being instituted. The Left parties have demanded the cleaning up of the electoral lists and the holding of elections without delay.

Pakistan: The opposition to the Musharraf regime is growing. There are the Islamic fundamentalist forces who are actively seeking to dislodge President Musharraf. The two major political parties – the PPP and the Muslim League – have their top leadership in exile. Benazir Bhutto and Nawaz Sharief met and came to an agreement to work together for the restoration of democracy in Pakistan. Their demand is that Musharraf should step down from the Presidentship and fresh elections held. In the recent period, liberal opinion has also turned against the President for the summary removal of the Chief Justice of the Supreme Court. The dismissal of the Chief Justice has led to the widespread protest from lawyers and other middle class sections. The United States has also stepped up its pressure on Musharraf to take strong military action against the Al Qaeda and Taliban elements sheltering in the border areas adjoining Pakistan.

Sri Lanka: The Sri Lankan armed forces have registered success in capturing all the key towns in the Eastern region, the latest being Varahai. This has emboldened the government to pursue the military option but this will not bring about peace. The LTTE can still carry on guerilla operations in the North and Eastern region and tie down the armed force. The recent bombing of the air force base in Colombo, the first time planes have been used by the LTTE, underline the dangers of escalating the military conflict. The plight of the Tamil people has worsened with large numbers taking refuge in camps. Since the resumption of hostilities in April 2006, 2,13,000 people have been displaced, according to U.N agencies, of whom 16,000 are in Tamilnadu.

On the political front, the agreement reached between the SLFP and the UNP the two major Sinhala parties did not last long. The ruling alliance has taken 18 UNP members of parliament who defected and made them ministers. The UNP has announced that the agreement stands nullified.

The Indian government should exercise pressure on the Sri Lankan government to not exacerbate the situation further with military operations, which will affect the Tamil people. The UPA government should use its influence to urge upon the Sri Lankan government to come out with a political framework for a solution to the Tamil problem. The all-Party conference is discussing a draft report on the constitutional and political steps for devolution of powers. Earlier, an experts' panel had submitted a report which recommended provision of autonomy for the Tamil speaking areas as part of the devolution package.

Nepal: The formation of the interim government headed by Prime Minister Girija Prasad Koirala which includes the seven party alliance and the Maoists is a welcome development. This is an important step towards implementing the agreement reached between the seven party alliance and the Maoists. Earlier, the Maoists had joined the interim parliament. The interim government has been constituted along with the date set for the elections of the Constituent Assembly on June 20. This is an important landmark in the democratic transformation in Nepal. The process of laying down of arms and collecting the combatants in camps has taken place. However, in the Terai region, there has been large-scale protest and violence with the Madhesi front demanding autonomy and adequate representation in the new set up.

NATIONAL SITUATION

The three-month period since the last Central Committee meeting has been marked by:

1. The growing aggressiveness of the BJP-RSS combine that has resulted in a number of incidents of communal violence.
2. There has been a continuing increase in the prices of all essential commodities. Price rise has engendered discontent all over the country and eroded support for the UPA government.

3. Despite registering a high 9.2 per cent GDP growth rate, the agrarian crisis continues and the problems of inflation and unemployment have aggravated. The budget proposals have failed to tackle these problems.
4. The Congress defeat in the Punjab and Uttarakhand assembly elections and the lack of cohesiveness within the UPA with differences amongst its partners has provided a boost to the BJP and its allies.
5. The United States continues to mount pressure on economic policy matters, on Iran, nuclear cooperation agreement and on purchase of US arms.
6. After the police action in Nandigram on March 14, there has been a concerted attack on the CPI(M). There have been strains on Left unity with the other Left parties openly critical of the Party and the Left Front government. All over the country, various political forces have ganged up to try and isolate the CPI(M).

Communal Situation

There was an eruption of communal violence in a number of places in January. Bangalore, Gorakhpur and neighbouring districts of UP, Indore, Jabalpur and Mandsaur in Madhya Pradesh were some of the places where violence broke out. The main reason for these incidents is the RSS observance of Golwalkar's birth centenary. In this connection, the RSS held marches and Hindu sammelans which were marked by rabid communal propaganda and provocations against the Muslims. We had earlier noted the communal violence in Mangalore and neighbouring areas. The worst violence took place in Gorakhpur where the Mahant of a religious centre, Adityanath, who is the BJP MP leads an outfit called the Hindu Vahini, which terrorises the minorities in Eastern UP. After a small incident, when Adityanath was arrested, the Hindu Vahini went on a rampage in neighbouring districts of Maharajganj, Kushinagar, Basti and Azamgarh. In certain incidents like in Bangalore there were provocations from Muslim fundamentalists too which led to RSS retaliation. In Tirur, in Kerala, the NDF, an extremist Muslim organisation killed an RSS worker which led to counter attacks.

After the Lucknow session of the BJP where it adopted a strident communal platform, the RSS-BJP combine is instigating attacks on the Muslim minorities. With the forthcoming UP elections and the elections in Gujarat later this year, and the states of Himachal Pradesh, Madhya Pradesh, Chattisgarh and Delhi going to elections next year, the gameplan of the BJP-RSS combine is emerging. We have to be vigilant and mobilise the people against the communal forces.

Inflation-Price Rise

The sharp increase in the rate of inflation and the steep price rise of food items and all essential commodities has been marked in the recent weeks. The wholesale price index for the week ending February 2 registered an increase of 6.72 per cent, the highest in the last two years. On March 2, despite the measures taken by the government, the index remained high at a 6.42 per cent increase. The prices of wheat, pulses, vegetables, onion and sugar climbed up.

This is having a deleterious effect on the lives of the people. Price rise has become the main source of discontent against the UPA government. The government has failed to take prompt measures required to tackle inflation and price rise. The Party has sharply criticised the government for not putting curbs on futures trading and revision of the petroleum price structure. It has weakened the public distribution system instead of strengthening it and failed to ensure adequate procurement of foodgrains.

The CPI(M) was the first to demand a rollback in the petroleum prices to the pre-June 2006 level. The government only partially met this demand by reducing the prices of petrol and diesel by Rs. 2 and 1 per litre respectively in December 2006. After failing to check price rise, the government finally reduced the petrol and diesel prices by Rs. 2 and 1 again by mid-February, 2007. In the budget proposals, the government has confined itself to reducing the *ad valorem* duty on petroleum products by 2 per cent instead of doing away with the *ad valorem* structure itself. After resisting the demand that futures trading in foodgrains be halted, on the eve of the budget, the government announced a ban on futures trading in wheat and rice.

The strengthening of the public distribution system is absolutely essential to provide relief to the people during price rise. However, the increase in the proposed outlay on food subsidy in the Union Budget is just 6.2 per cent, which in real terms is no increase when the rate of inflation is 6.7 per cent.

In order to check price rise there has to be a continuous struggle to demand stoppage of futures trading in all essential commodities, revision of petroleum tax structure with the doing away of the *ad valorem* system, urgent steps to strengthen and expand the public distribution system and firm action against hoarding and speculation in essential commodities.

Union Budget

The Union Budget for 2007 has failed to seriously tackle the problems of unemployment and inflation. The claim that the focus of the budget is the agriculture sector is also unjustified in terms of allocations. For instance, the central plan outlay on agriculture has hardly been increased as a proportion of GDP. No price support has been provided for farmers in distress. Total expenditure on rural employment is budgeted to rise by just 3.5 per cent. The number of districts covered by the Rural Employment Guarantee scheme is proposed to be increased to 330 from 200. But the outlay has been increased by only Rs. 700 crores for this year, which falls far short from what is required for the expansion of the scheme. The public distribution system has been neglected as the increase in food subsidy does not keep up with the rate of inflation. This suggests a shrinking of the PDS volume. The budget therefore does nothing to alleviate the impact of inflation on the people and in certain areas reduces the relief that the people were getting.

Though there is substantial increase in the total allocation for education, there has been a cut in the allocation for the *Sarva Siksha Abhiyan* indicating that the

burden for implementing this programme will be put on the states. The other social sector expenditure is disappointing with no noticeable increase in the outlays on health and only a nominal increase in the outlay on ICDS. The budget has refused to raise taxes from the affluent by not reimposing the capital gains tax and increasing securities transactions tax. On the other hand the reduction of customs duties on non-agricultural products will adversely affect small producers and damage employment prospects.

The Central assistance to states is expected to rise by just 8 per cent. In totality, the budget has failed to meet the commitments made in the NCMP and has not addressed the basic livelihood issues and social sector needs of the people.

FDI & Organised Sector In Retail Trade

Despite widespread opposition to FDI in retail trade, the government is trying to open up FDI in retail in a piecemeal fashion. The Commerce Minister has floated the proposal of opening up more sectors for FDI in retail like sports goods, electrical and consumer electronic goods. This announcement was made soon after the Congress President wrote to the Prime Minister asking the government to examine carefully whether FDI in retail should be allowed. In the coming days the Party has to step up its opposition and ensure that there is a halt to the step by step opening up of the retail trade to FDI.

The other danger is the entry on a large scale of the organised sector with big companies like Reliance into the retail trade. The Reliance alone has proposed an investment of Rs. 30,000 crore in retail trade. The impact of organised trade entry into retail trade is similar to FDI in retail trade in displacing employment for small shopkeepers and traders. There has to be regulations and curbs on organised sector in the retail trade. After the Party finalises the note for regulating organised sector in retail, a campaign should be launched to mobilise public opinion on the issue.

Jammu & Kashmir

There have been a number of moves for providing a political basis for the settlement of the Jammu & Kashmir problem. Various political parties and groups have come forward with their proposals. The Hurriyat leaders visited Pakistan and Mirwaiz Omar Farooq has publicly stated that violence cannot bring about a solution. The Pakistan President also made a statement that those who resorted to violence cannot find a place in the peace process. The PDP has come out with its proposals for self-rule in five units of J&K on both sides. Taking into account all the views and the ground reality, the Party must come out with its stand for speeding up the political process of a dialogue within Jammu & Kashmir. So far, the Party has been advocating maximum autonomy being provided in the three regions of Jammu, Kashmir and Ladakh and for opening the border in a phased manner for free flow of people and goods.

The revelation of the killing of innocent people through false encounters by branding them as terrorists by some sections of police and army has shocked

the people and caused outrage in the valley. Four such cases have been confirmed in Ganderbal district and more such cases are surfacing. Violations of human rights and excesses are only further alienating the people.

The PDP's demand for demilitarization of the valley through reduction of troops led to strains in the Congress-PDP coalition government. The Chief Minister rejected the demand. The PDP threatened to withdraw from the government. The talks with the Prime Minister has led to a temporary resolution of the problem. It has been decided that a committee of security experts will look into the matter. The question of reduction of the army has to be dealt with carefully. Though it is true that extremist violence has decreased in the past one year and infiltration has also come down, still militant activities continue. Replacement of the army with other paramilitary forces can be considered in select areas only after a proper assessment. Rajouri, Poonch and Doda areas in Jammu are particularly sensitive where the Hindu minority resides. Already the BJP has started a campaign that the army has been withdrawn from the areas leaving the Hindu minority defenceless.

Indo-Pak Relations

As far as India-Pakistan relations are concerned, the composite dialogue process must be carried forward. The foreign ministers of both countries met in New Delhi for the fourth round of the composite dialogue. The settlement of the Siachen dispute and other confidence building measures will help in creating the right atmosphere for taking up the more complex issue of Kashmir. Bomb blasts in the Samjautha Express killed 68 people, most of them being burnt to death. This horrific terrorist attack was meant to derail the dialogue process between the two countries. People on both sides of the border understood the diabolical nature of the incident. The Pakistan Foreign Minister came to India two days after the attack for the talks in the composite dialogue.

Assam: ULFA Attacks

Soon after the Central Committee meeting, the Ulfa launched a systematic campaign of killing Hindi-speaking people mainly from Bihar. Seventy people were killed in attacks in Tinsukia, Dibrugarh and Demaji districts. Those killed were daily labourers in brick kilns or roadside vendors. The possibility of talks with the Ulfa ended with these killings. The army was deployed in the affected areas. The Ulfa is getting more isolated among the people due to these dastardly killings.

Judicial Intervention

Verdict on Ninth Schedule: A nine-member bench of the Supreme Court has ruled that laws put in the Ninth Schedule of the Constitution by invoking Article 31 (b) of the Constitution are subject to judicial scrutiny. The judiciary can look at such laws on the grounds whether they conform to the basic structure of the Constitution or not. The Court ruled that all the laws put in the

Ninth Schedule after April 24, 1973 can be challenged on the grounds of violation of fundamental rights that might affect the basic structure of the Constitution. 1973 has been made the cut off year since it was in that year that the Keshavanand Bharati case verdict was given by the Supreme Court. In that case the Court had given a judgment that no law passed by parliament can alter the basic structure of the Constitution.

It is under the Ninth Schedule that all land reform laws are listed. So also many of the legislations dealing with nationalisation. The creation of the Ninth Schedule to keep certain legislations out of the purview of judicial review was the first amendment passed in the Constitution in 1951. It was primarily meant to ward off judicial challenges against land reform bills and zamindari abolition.

Given the present trends in the higher judiciary there are grounds for apprehension that the courts will seek to protect the right to private property and uphold those portions of the fundamental rights which go against progressive social legislation. The judgment has talked about Articles 15 and 16 apart from 14 and 19 as part of the basic structure. These Articles can be invoked against reservation quotas if they go beyond what is defined by the judiciary.

Stay on OBC Reservation: A two-member bench of the Supreme Court has put on hold the implementation of the legislation for 27 per cent reservation for Other Backward Classes in the Centrally-run educational institutions. It was the Supreme Court which had upheld the 27 per cent reservation in jobs for the OBCs earlier. The court has intervened despite the fact that there was a constitutional amendment – the 93rd – to ensure that reservation can be provided for socially and educationally backward classes in educational institutions.

These trends raise the question of judicial encroachment into the spheres of the powers of the Parliament and the executive. Further, judicial intervention in favour of private property, private sector and rights of employers is growing. One reflection of this is the way the Kerala High Court has struck down the Kerala Education Act. There have been a number of judgements by the Supreme Court in the recent period which overturn verdicts favouring the interests of workers. At the same time the trend of curtailing democratic rights and collective actions continues. The Kerala High Court has banned student organisations and political activities from campuses.

In order to strike the right balance regarding the role of the judiciary in the Constitutional arrangement, it is necessary to bring about reforms in the judicial system. The first step should be the constitution of a National Judicial Commission which is not composed only of serving judges. It is through this Commission that the judges in the higher judiciary should be appointed and accountability of the judiciary ensured.

Centre-State Relations

Though we have stated in the political resolution of the Party Congress that we must take up the issue of Centre-State relations and rally support for protecting the rights of states against growing encroachment from the Centre, we have not done enough in this direction. After liberalisation, the nature of Central intervention and encroachment of states rights is different from the earlier period. On the one hand, there is a withdrawal by the Center from economic and investment activities, on the other the Centre seeks to push through neo-liberal reforms by various conditions on transfer of resources to the states. Now every Central grant or devolution of resources is attached with conditions. The 11th and 12th Finance Commissions set out conditionalities to be fulfilled by the states if they have to access some of the resources to be devolved. The 12th Finance Commission made debt relief to states conditional upon their passing fiscal responsibility legislation which put a 3 per cent ceiling on their fiscal deficit relative to the Gross state Domestic Product. Schemes such as the JNNURM (Urban Renewal Mission) also have conditionalities attached to them. There is also encroachment of state powers through judicial intervention as in the Supreme Court judgment on police reforms.

In such a situation, the Left-led governments are also facing serious problems. The competition among states to attract investment leads to a situation where big concessions have to be given to attract investment. The imposition of neo-liberal reforms also is increasing the indebtedness of the states. Steps will have to be taken for projecting the issues regarding the encroachment and onslaughts on states' rights and other parties and state governments should be rallied on a common platform to defend the interests of the states.

Inter-States Water Dispute

The final order of the Cauvery Water Dispute Tribunal in February 2007 has again triggered emotional reactions in Karnataka and Tamilnadu. Both state governments have decided to file revision petitions for clarifications or corrections to the final award. The bourgeois political parties are rousing chauvinistic passions of the people of one state against the other state. The opposition bourgeois parties in both the states are more aggressive in their campaign. This has developed tensions among Kannada speaking and Tamil speaking people in Karnataka and Tamilnadu. Tamil cinemas and TV channels are prohibited in certain cities in Karnataka. There are also attempts to rouse emotions of the people both in Tamilnadu and Kerala on the Mullaperiyar issue.

There is wide spatial variations in availability of water resources in the country amongst states and feelings are roused when water is transferred from one state to another state. Our Party should come forward to oppose all attempts by the chauvinistic forces to inflame passions of the people of one state against the other. All inter-state water disputes should be amicably settled through appropriate legal process and through fair and intelligent negotiations. An amicable and mutually-beneficial settlement of the contentious Cauvery water

dispute can be achieved through pursuing available legal avenues for redressing any grievance of the states relating to the tribunal's final award and also through fair and meaningful discussions within the broad framework of the final order passed by the Cauvery Water Dispute Tribunal.

Foreign Policy

The visit of President Putin to India was an important step in Indo-Russian relations. An agreement was signed in which Russia has promised to build four more units in the Koodankulam nuclear plant and for building other nuclear power stations. There is also an agreement for the joint development of a fifth generation fighter aircraft. This is a multi-billion dollar agreement which is the biggest and most ambitious in Indo-Russia military cooperation. The Putin visit underlined the strategic relationship between India and Russia which is in the interest of both countries.

The Indian foreign minister, Pranab Mukherjee visited Tehran in February. His visit came at a time when the United States is stepping up its confrontation with Iran. The foreign minister stated that the nuclear issue should be settled through negotiations and India does not favour any military response. The talks with Iran on the supply of LNG by ship has still not been concluded, as Iran wants a revision in the prices negotiated so far. As far as the Iran-Pakistan-India pipeline, Iran has reduced the price of the gas to be supplied which has opened the way for final talks. India has to now negotiate with Pakistan the transit costs before the final agreement can be arrived. The United States has again declared its unhappiness at the pipeline project. It is therefore important to ensure that the pipeline project which has also the backing of Russia comes through.

A significant meeting has been of the three foreign ministers of Russia, India and China which was held in New Delhi on February 14. This standalone meeting of the three foreign ministers is a step forward in the trilateral cooperation between the three countries. The joint communiqué expressed that "democratization of international relations is the key to building an increasingly multipolar world order that would be based on principles of equality of nations – big or small, respect for sovereignty and territorial integrity of countries, international law and mutual respect." The joint statement acknowledges that the UN is an appropriate instrument for promoting and attaining such an international order. The ministers decided to hold their next meeting in China.

The above developments must be seen in the context of the Indo-US strategic relations and the United States' efforts to further draw India into their strategic camp.

The United States has been stepping up pressure on various fronts. The Indian Air Force is proposing to buy 126 fighter planes. The US is openly pressurizing India to buy F16 fighter planes. The US Ambassador has hinted that with the Indo-US nuclear cooperation agreement there should be *quid pro quo* with India

buying US planes. The US Energy Secretary during his visit to India asked the Indian government not to proceed with the Iran gas pipeline project stating no help should be given to Iran as it is making nuclear weapons. The Bush administration has decided to step up pressure on various countries dealing with Iran by threatening sanctions against their companies who have dealings with Iran.

Nuclear Cooperation Agreement

The negotiations for the bilateral 123 agreement for civilian nuclear cooperation has reached a crucial stage. India has to decide whether it can accept the extraneous terms put in the agreement which amount to no “full civilian nuclear cooperation”. These pertain to restrictions on reprocessing of the spent fuel, exclusion of sale of equipment relating to enrichment, reprocessing and heavy water production to India. There is also a binding commitment demanded not to test further.

Strong opposition must be built up so that the UPA government does not succumb to American pressures on these matters. The Party must continue to press for the UPA government adopting a foreign policy course which will strengthen the multipolar trends which underlay the trilateral meetings of the foreign ministers of Russia , India and China.

US Penetration in Administration

It has been reported that the government has decided to introduce a mandatory mid-career training programme for IAS officers in selected American universities. Senior IAS officers would have to go to these American institutions for training if they are to be eligible for promotion after 26-28 years of service. As key personnel in the administration will be trained in America this will open up the entire bureaucracy to US influence. Public opinion must be created against this step which is detrimental to national sovereignty.

Political Situation

The political situation has been marked by the erosion of support for the Congress and the UPA. In the Punjab assembly elections, the Akali Dal-BJP alliance was able to win a majority and form the government. In Uttarakhand too the BJP won the elections though it fell short of a majority narrowly. The defeat of the Congress in these elections reflects the discontent of the people against the policies and performance of these state governments. Further, the steep price rise had its direct impact by eroding support for the Congress.

Prior to these elections, there were the Maharashtra civic polls. The Mumbai Municipal Corporation was retained by the Shiv Sena-BJP alliance because of the failure of the Congress and the NCP to contest together. The break up of the Congress-NCP alliance shows how their narrow interests have prevailed, helping the reactionary forces. All over Maharashtra, the Congress suffered reverses including losing Pune Corporation which it had held for a long time.

This is a case where the division within the UPA partners has directly helped the communal forces. Even after this debacle, Sharad Pawar has stated that he is willing to go with any party. In the elections of the Mayor of the Pune Corporation, the NCP came to an understanding with the Shiv Sena.

The price rise, the agrarian crisis and the plight of farmers, the failure to ensure that economic growth benefits the common people, apart from the wrong political approaches, are all factors which are adversely affecting the Congress party and the UPA government.

At the political level, the Congress party adopted a wrong and undemocratic stand regarding the imposition of President's rule in Uttar Pradesh. The demand for the dismissal of the Mulayam Singh Yadav government began building up after the withdrawal of Ajit Singh's RLD from the coalition. The BJP and the BSP went to the President with this demand. The Congress Party also decided to withdraw support to the government. Our Party opposed the imposition of President's rule. We stated that the question of the majority of the government should be decided on the floor of the assembly. After the state government requested the convening of an assembly session, a vote of confidence was taken on January 25 in which the government got 223 votes (out of 401) with the opposition parties walking out. The state committee of the CPI(M) took the stand that though the Party is opposed to many of Mulayam Singh government's policies and measures, it will be undemocratic to oust the government just on the eve of the elections when the people will be giving their verdict.

Subsequently, the Supreme Court disqualified 13 MLAs who had defected from the BSP to the SP. The Court left it to the Speaker of the assembly to decide on the other 24 MLAs. The Congress leadership decided to dismiss the state government after the Supreme Court verdict on the grounds that the formation of the government itself was illegal in 2003. At that time, the Congress party had extended support to the formation of the government.

The Polit Bureau strongly opposed the move to invoke Article 356. It stated that any question about the majority of the government should be tested on the floor of the house. The firm stand taken by the Party prevented the Central government from going ahead with the imposition of President's rule.

The BJP's morale has been boosted after the victories in Punjab and Uttarakhand. After adopting an aggressive communal stand as decided by its Lucknow session in November 2006, the BJP is on the one hand trying to rally its traditional Hindutva constituency and on the other seeking to cash in on the discontent generated by price rise and other policies of the UPA government. The disruptive stand of the BJP continued in parliament during the Budget session. First it raised the Quattrocchi issue to stall parliament and also shout down the railway budget. After that, the Nandigram incident was utilised to disrupt parliament for five successive days. Ignoring the BJP's growing attacks, the Congress leadership made a serious mistake in targetting Mulayam Singh's government for dismissal. The BJP came out in full support of the move for

dismissal. In Uttar Pradesh, the BJP senses a revival of support with upper castes moving back towards it. The Central legislation for OBC reservations in higher educational institutions has angered these sections.

In the UP elections now underway, there is the danger of the BSP and the BJP combining after the elections since no party will be in a position to get a majority. If that happens, it will have a big impact on the national situation. The constant harping on the achievement of high GDP growth rate without any benefits accruing to the common people is further alienating the people. It is in this background that the assembly elections are going to be held in Gujarat later this year; in Himachal Pradesh, Delhi, Madhya Pradesh, Rajasthan and Chattisgarh next year. In all these states, the BJP is strong and in four of them they have state governments. The Congress does not appear to be in a position to fend off the strong challenge of the BJP.

The Samajwadi Party, the TDP, the AGP, the AIADMK and the INLD (Chautala's Party) are maintaining relations. Their idea is to float a third front. We cannot join these efforts with parties like the AIADMK. Our approach should be to go for joint stand and joint action with parties like SP, TDP and AGP on issues.

Presidential Elections

Presidential elections are due to be held in August. It is only after the elections to the UP assembly that the electoral college and strength of various parties and groups will become clear. At present, neither the UPA nor the NDA are in a position to get their candidate elected on their own strength. The Party will have to work out its stand on the Presidential elections.

Nandigram Fall-Out

In the period since the CC meeting, there has been a big attack on the CPI(M) on the Singur issue and the Nandigram incident. Many Left intellectuals have joined the chorus of criticism of the CPI(M) for its policies of land acquisition for the Tata project and the Salem related project. Our Party has sought to counter the campaign on the Singur project all over the country.

Subsequently, the police action in Nandigram has led to widespread condemnation of the police firing and political attacks on the CPI(M). The widespread ganging up of all the forces ranging from the BJP to the Maoists and sections of Left intellectuals with the charge that the Party is favouring the big corporates against the farmers and the rural poor has caused damage. All over the country there are moves to isolate the Party utilising this issue. After the Central Committee discusses the Nandigram and land related issues, we will have to mount a big campaign to explain our stand on the question of industrialisation, land use and how the interests of the peasantry will be protected by the CPI(M) and the Left Front government.

Left Parties

In the previous Central Committee meeting report it was noted that in the recent period there have been differences in political understanding and other conflicts of opinion with the CPI in various states. Such differing positions have been seen in Andhra Pradesh, Tamilnadu, Punjab and Uttar Pradesh. In West Bengal from the Singur project controversy, the CPI, Forward Bloc and RSP have been taking a different stand. After the January 3 incident at Nandigram, they began making public criticism of the government and the Party. With the March 14 police action, these differences became more acute. After two rounds of meetings of the Left Front, some understanding has been arrived at about improving its functioning. Outside West Bengal, the CPI and some of the mass organisations associated with it have been condemning the Left Front government on the Nandigram issue. This has happened even after the March 17 meeting of the Left Front in West Bengal. This has caused some strains in the relations within the Left parties.

The Party, as the major contingent of the Left, has to take the steps necessary to repair the relations with the other Left parties. In the present national political situation where the BJP is adopting an aggressive position and the Congress/UPA is on the defensive, it is all the more important that Left unity is maintained for effective intervention. While taking the initiative in this regard, we should counter any political or public attacks on the Party.

In the coming days, we have to stress the independent activities and campaigns by the Party. June 2007 will mark the thirtieth anniversary of the West Bengal Left Front government. This occasion should be utilised to launch a big campaign on the Left Front government's record of achievements and to counter the propaganda of the political opponents and the anti-Communist media.

Immediately, the Party has to conduct a campaign to explain to the people the true situation in Nandigram and to counter the false propaganda and anti-CPI(M) policies of the gang-up of the BJP to the naxalites. The Central Committee will issue a Party letter which will help to equip the Party cadres and members to conduct this campaign.

Future Programme

The Party will have to conduct its independent campaign and struggles, which would involve taking up the following issues:

1. On price rise, we have to conduct struggles to demand that steps be taken to curb price rise by the Central government and State governments. People should be mobilised on issuance of ration cards and adequate supply of essential commodities through the public distribution system.
2. We decided last year that state units should instruct the Party units in the concerned districts where REGA is being implemented to take up

the issue of proper and full implementation of REGA. Reports show that we are still not taking up this matter seriously in many areas. State Committees should immediately take steps to ensure that the implementation of REGA is continuously monitored and taken up for people's mobilisation.

3. Apart from these two issues on which immediate struggles can be taken up, we have to campaign on the following:
 - i. Campaign against the activities of the communal forces
 - ii. Resist US imperialist pressures on India
 - iii. Demands of the peasantry including implementation of the Farmers Commission recommendations
 - iv. Implementation of the parliamentary standing committee's recommendations on the Seed Bill.
 - v. Changes in SEZ Act and rules to prevent large-scale acquisition of agricultural land, displacement of people and tax concessions to the promoters.
 - vi. No FDI in retail trade and regulation of organised sector
 - vii. No entry of foreign universities and setting up of private universities