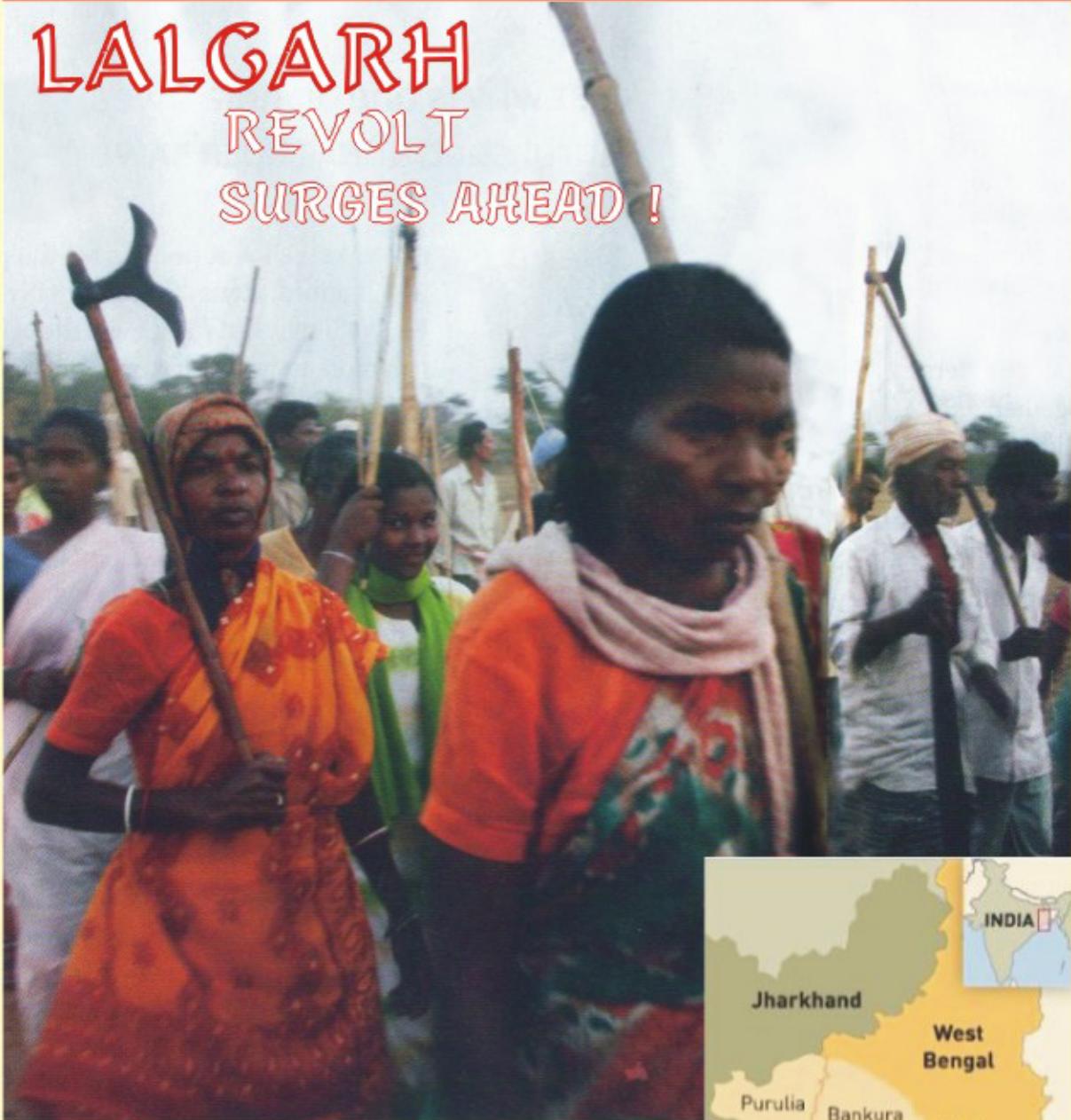


Peoples' Truth

Voice of the Indian Revolution

LALGARH REVOLT SURGES AHEAD!



Inside:
As Crisis Deepens ...
Disastrous Bid to Raise FDI Cap...





LALGARH REVOLT SURGES AHEAD !

A True & Explosive Story of a
Failed Democratic Process
& Police Repression
Pushing People Towards Maoist Politics

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AS CRISIS DEEPENS, MASSIVE PEOPLES' OUTBURSTS SHAKES THE WORLD

Arvind

ON May Day, as we go to the press, the situation throughout the world is turning gloomier and gloomier. Particularly the working class and even the middle classes have been badly hit by the job lay-offs, wage cuts, forced long working hours and spiraling job insecurity. And in spite of the huge bail-outs, interest rate cuts and massive stimulus packages reports continue to come in of even more bankruptcies, economic decline and financial collapse. The latest victim being the giant automobile manufacturer, Chrysler, which has filed for bankruptcy. A few days earlier it was the even bigger automobile giant, General Motors, which was reported to be on the verge of collapse – and this is despite two bail-out packages that it has received.

In the US not only are financial institutions and giant TNCs going bust but also a number of State governments are heading for bankruptcy. The Government of US reported that 29 states face an estimated \$ 48 billion budget shortfall in financial year 2009. State and local governments are at risk with \$ 2.7 trillion in outstanding municipal securities and huge growing budget shortfalls.

According to economist, Stephan Lendman: *Besides mortgages over \$ 20 trillion in private-sector consumer and corporate debt and other \$ 2.7 trillion in municipal securities. He estimates 1479 FDIC member banks with \$2.4 trillion in total assets at risk failure. Another 158 S&L with \$ 756 billion. A total of \$ 3.2 trillion or 41 times the assets of banks on the FDIC's watch list. He notes \$ 51 trillion in interest bearing debts, over \$ 12 trillion on residential mortgages.Commercial mortgages are also at issue and are souring. A total of \$2.6 trillion "dispersed widely beyond the banking sector". The mortgages are less than half the problem. Add to them credit cards, auto and student loans, and various kinds of other private-sector debt, consumer and corporate. Around \$20 trillion in total plus nearly \$ 15 trillion in residential and commercial mortgages. The derivatives problem is especially ominous; at extreme levels and very dangerous. An estimated \$180 trillion*

held by commercial banks alone meaning those with most of it are technically insolvent. In addition, beyond the above figure, no estimates are available of derivative defaults. With such a fragile situation in the US and the losses so huge it is difficult to see the present stimulus packages having the desired effect. The US economy shrank by about 6% in both the last Quarter of 2008 and the first Quarter of 2009. (Indian Express ,April 30, 2009) Housing foreclosures continue apace with Feb.2009 registering an increase of 30% over Feb.2008. Unemployment is skyrocketing as never before. In California unemployment has reached 22.6%.

The debt incurred by US capital has grown exponentially over the past 30 years, from about \$ 4 trillion in 1978 to \$ 50 trillion today. (Against a GDP of \$ 13.3 trillion). This inability to pay threatens money-capital directly. The US Federal Reserve Bank estimates that the current collapse has wiped out \$ 7.1 trillion in US assets worth so far, more than half of the 2008 GDP; compared to \$ 4.2 trillion during the dot com speculative wipe out in 2000. Globally asset losses so far total about \$ 30 trillion. (Article by John Steele, Jan.11 09)

Besides, all economic indicators indicate the decline continues. In a recent report (*Hindustan Times* Apr.23 09) the IMF has reported that in the year 2009 the US economy will decline by 2.8%, the Euro zone by 4.2% and those of Russia and Japan by a massive 6%. This is nearly double of what was predicted earlier and the figures are huge particularly for Europe which has never seen a decline in growth rates since WWII. On Apr 22nd it was reported that (*Free Press Journal*) the British economy slipped into deflation for the first time since 1960 heralding a fall in wages and a freeze in pensions. In UK bankruptcies are expected to grow to a rate of 95 per day – or 35,000 firms going bankrupt in the current year. Over 1.25 lakh people will go bankrupt this year in the UK.

The situation in much of Eastern Europe is even more frightening. Take the case of Hungary. On Apr. 3 *The Hindu* reported: *Hungary faced, in the past seven months*

the near default on its foreign debt, a 90% plunge in its bank's stock price, and most recently the resignation of the country's Prime Minister. It thought it could borrow its way through the crisis. But when its currency collapsed last year, the foreign denominated loans soared in value, making it very hard for domestic borrowers to repay their loans as the economy shrank. The economy is estimated to sink by as much as 6% this year.The alternative of not meeting the IMF's conditions is bankruptcy. Economist Nouriel Roubini cites 12 or more economies in serious financial trouble; especially in East Europe, including Turkey, but also Korea, Indonesia and Pakistan. The risk contagion is worrisome as even tiny Iceland sent tremors globally.

The trade figures are even more frightening. *The Hindu* (March 30th 09) editorially reported: *Even though the IMF and other world bodies had anticipated a fall in world trade this year as a consequence of the deteriorating global economy, few expected the decline to be as the one projected by the WTO in its latest report. World trade which grew up to 6 percent in 2007, last year is forecast to drop by as much as 9 percent in 2009. Such a sharp dip has not been seen since the Second World War. The WTO's projection exceeds by a wide margin the 3 percent decline forecast earlier by the IMF obviously capture the particularly sharp declaration seen in recent months. According to the World Bank, this analyzed trade data of 45 countries, exports shrank by an average of 32 percent in January over the previous year. Exports from the rich countries are slated to fall by as much as 10 percentages. Emerging and developing countries, whose exports grew by an average of 15 percent annually between 1998 and 2008, will fare somewhat better; their exports are expected to fall by 2 to 3 percent. The current financial crisis has choked trade finance, which is the backbone of global trade, calling for urgent action by monetary authorities. Over a 10-year period beginning with 1998, trade volumes grew at a healthy 5.7 percent on*

an average every year, outstripping the global GDP growth rate of nearly 3 percent.

ILO fears that the number of unemployed people would increase by 5 crore in the current year. This no doubt would be a conservative estimate. It further added that jobs normally take about 2 to 3 years to recover once the economic crisis gets over. In the US jobs are being lost six lakhs a month and France expects to lose 5 lakh jobs this year.

Grim Situation in India

The tragedy of the situation is that in this entire election campaign not one Party spoke of the crisis impact on the lives of the people and the need for stringent remedial measures. Today already there is hardly a single family that is not affected by the crisis – from the rural sector, the unorganized workers, and even the organized workers and middle class employees. Except for the large contingent of government employees, who, till now live in relative job security, all others have already been badly hit. Yet, not a word is spoken on this by any of the parliamentary parties seeking votes. Quite naturally people were disgusted and the vote turnout was low.

The situation starts with enormous and growing rural distress. According to *Business & Economy* (Apr3 -16) in Maharashtra alone 46 suicides are taking place every day. Statistics provided by the NCRB state that as many as 16,632 farmers committed suicide in 2007 alone. The magazine says that two years ago the RBI (on instructions of the UPA government) stopped the outlay to NABARD, which was meant to give loans to small and medium farmers, pushing them deeper into the arms of the moneylender. This cut amounted to a huge Rs.6, 000 crores. It adds, "The government found it completely ethical to form sovereign wealth funds to bail out American enterprises, while farmers in the country were relentlessly complaining about shortage of funds for loans."

Besides, the poor are being further squeezed by the spiraling prices of necessities. The inflation rate (as on March 7 2009) for sugar, salt, pulses, cereals, milk, and spices was 22.4%, 11.1%, 11%, 10.2%, 7% and 6.2% respectively. In fact

sugar prices have nearly doubled in the last few months. Health conditions are also deteriorating with government expenditure being the lowest in the world at a mere 1%. Even in the sphere of education the powerful private education lobby has promoted the privatization of education on a big scale and government expenditure on education is a mere 2.8% of GDP instead of the projected 6%; and of this a mere 1% is spent on private education. The government is even busy robbing the workers' Provident Fund reducing the interest rate to a mere 8% when bank's fixed deposit rate varies from 8.5-9%.

Job losses are now also beginning to envelop not only the unorganized sectors (see last issue) but now even the IT sector. NASSCOM has estimated that 5% or one lakh jobs will be lost in this sector. And this, it says, will comprise primarily middle and senior level employees. In the month of February alone manufacturing contracted by 1.2%, laying off large numbers of workers. In March 2009 exports dropped by a massive 33% (over the previous year) after falling 22% in February and 16% in January. The number of people who lost jobs can only be imagined.

Though the value of the stock exchange has been going up this is nowhere reflected in the economy and is yet another bubble which will burst once the big investors decide to sell and make a killing. Besides, with the LPG policies of the government, the economy is fully tied to the imperialists, particularly the US, so with the international economic crisis deepening, things are bound to get worse here. Even India's external debt has been skyrocketing from \$ 112 billion in 2004 to double that figure in 2008 at \$ 221 billion. The interest payments on this are huge and with the trade gap growing \$ 119 billion in 2008-09 (a 34% increase over last years' gap of \$ 88.5 billion) due to a big fall in exports and with overseas remittances expected to fall by as much as 5% (worldwide) this year; India is heading for yet another debt trap.

Though all reports are coming in of excruciating poverty growing in the country a few business houses and their political associates have accumulated wealth on a scale not seen even in the developed countries. In the media it was

reported (April 6th) that Indians have stashed away a gigantic \$ 1.5 trillion in Swiss bank accounts. This was more than twice the amount of the second largest investor, Russia. If this enormous wealth was just redistributed each Indian would get Rs.5 lakhs.

This deepening crisis is resulting in frantic new alliances, growing militarization and aggressive diplomacy and war-mongering. In South Asia too the situation is hotting up.

Growing Worldwide Tensions & Destabilization in the Subcontinent

NATO accounts for 70% of the global military budget of \$ 1.473 trillion. There is frenzied military spending throughout the world, including in countries like India and China. Trade wars and diplomatic maneuvers are hotting up. Recently some US senators threatened companies doing trade with Iran saying "either you do trade with a \$ 250 billion Iran or with a \$ 13 trillion US". Those being threatened are such giants as the British Oil giants Shell and BP and also India's Reliance.

Even the US and Europe are not in agreement on how to pull the economies out of the crisis. In the weeks after November's Washington Summit, sharp differences in the approaches of the US and the UK on the one side and the Europeans on the other had come to the fore. The US and the UK want that the London Summit to come up with declarations for commitment on specific stimulus packages and proposals for monetary easing. On the other hand, Germany and France wanted the financial mess to be set right first through tighter regulation. While the Euro Zone's recession is likely to be higher than the US it stimulus package over the next two years is expected to be 1.5% of GDP to the US's 6% of GDP. Finally though some consensus was reached at the G-20 of building up the IMF's reserves, China demanded more say in the IMF before giving greater funds.

Particularly, tensions are growing between the US on the one hand and the growing Russia-China axis on the other. North Korea renewed aggressive posturing with the launching of a satellite would not have been possible without subtle backing from China. In an emergency

session of the UN called by the US, the aggressive posture of US/Japan was resisted by Russia, China and three other countries out of the 15 member UN Security Council. Finally a much watered down resolution was passed. What was even more provocative was that both China and Russia suggested an alternative international currency to replace the dollar. This was an outright attack against US's worldwide domination which primarily rests on the supremacy of the dollar as the major international currency. Quite naturally there was little response to this suggestion at the G-20 where this proposal was put forward.

In the Indian subcontinent, Russia has made aggressive advances into Afghanistan and China is taking serious steps into Sri Lanka, Pakistan and Nepal.

As per the Obama plan, Afghanistan is the main point of conflagration. This would be quite obvious as we witness the overactive role of Russia in the region. The Special Conference on Afghanistan, held in Moscow on March 27 2009 reflected the growing clout of Russia and the SCO (Shanghai Cooperation Organization) in the region. The conference was organized by the SCO, which comprises full six members and 4 observers (India, Pak, Iran and Mongolia). In attendance at the Conference was the UN Secretary General, the Secretary General of the Organisation of Security and Cooperation in Europe, the US Asst. Deputy Secretary for South and Central Asian Affairs, the NATO deputy secretary general, representatives from the G8, EU, Org for Islamic Countries and foreign ministers from 36 countries. It was for the first time that senior officials from the US and NATO were invited to an SCO meet.

The joint declarations said "the participants also noted that the SCO was one of the appropriate for a wide dialogue with participation of partners on the Afghanistan-related issues in the context of joint efforts of the international community and Afghanistan and for practical interaction between Afghanistan and its neighboring states in combating terrorism, drug trafficking and organized crime".

This marked a volte-face of the US view of the SCO as a hostile bloc and rival in

Central Asia. The SCO is a subject that seems to make a lot of American's blood boil. Russia said that the production of opium had soared 44 times since the deployment of US and NATO forces. It said Afghan narcotics killed 30,000 Russians every year, twice as many as the Soviet Union lost in the 15-year war in Afghanistan.

The SCO-Afghanistan Action Plan calls for joint operations in combating terrorism, drug trafficking and organized crime; for involving Afghanistan in a phased manner in SCO-wide collaboration in fighting terrorism in the region; and to invite relevant Afghan bodies to take part in joint law enforcement exercises by the SCO. It also provides for stepping up the training of drug agencies, combating the laundering of drug money and improving border controls. These measures should help to set up anti-narcotics, anti-terrorism and anti-laundering security belts around Afghanistan. The Plan reads like a road map for bringing Afghanistan into the SCO fold.

Afghanistan joined the SAARC in 2007, and became a part of the SCO-Afghanistan Contact Group established in Nov 2005 to provide a mechanism for SCO member states to jointly contribute to the reconstruction and stability in Afghanistan. Hamid Karzai has attended all SCO meetings in recent years.

The idea of Afghanistan joining the SCO would be anathema to the US and Obama's proposal to create a NATO-dominated contact group with Afghanistan is part of his new strategy for the region and is seen as an attempt to dilute the influence of the SCO, even as he has invited the members to the new group. However, at the Moscow Conference the US envoy joined the other delegates in vowing support for the SCO-Afghanistan Action Plan. The declaration said that the participants in the Moscow Conference "expressed the intent to explore the possibility of aiding the implementation of the Action Plan".

The US and NATO countries have already secured transit routes across Russia and the Central Asian States for non-military supplies to their forces in Afghanistan and Moscow suggested it could allow shipment of military cargo as well.

The documents adopted at the Conference declared support for the efforts of the Karzai government, which has recently fallen out of favour with the US and NATO. Russia's deputy Foreign Minister warned against creating a power vacuum in Afghanistan in the run up to the presidential election later this year. Russia also came out against appeasing the Taliban.

The Moscow Conference was held four days after the broader UN Conference on Afghanistan in end March. If anything the Moscow Declaration came harder on Pakistan demanding that it find effective means to combat terrorism, including denying sanctuaries and dismantling of the extremist and terrorist network and ideological centers.

The Moscow Conference was a diplomatic coup for Russia and the SCO. Coming just over a month after Kyrgyzstan decided to shut a major US airbase ... Besides Moscow is also actively pushing for influence in the US's own backyard.

Russia plans to use airfields in Cuba and Venezuela to station its strategic bombers on global patrol flights. Cuba has four or five airfields with 4,000 meter runways that Russian heavy bombers can use .. The Air force Commander said Venezuela had offered Russia for use "a whole island with an airfield". This is for temporary deployment. Russia resumed global patrolling by its Tu-160 and Tu-95 bombers in 2007 after a break of 15 years. Two long-range bombers flew to Venezuela last year in a high-profile of Russia's strategic military reach.

China is also of late making aggressive inroads into South Asia. They were the only country to lend full economic and military support to the Sri Lankan government to unleash genocide on the Tamil people. In return they have got major contracts for ports and other projects as also an expanding market for its exports. In Nepal too it has made major inroads by backing the Prachanda government and granting it a number of sops. It has traditionally deep links with the Pakistani army which have been strengthened. It is also making inroads into Bangladesh and of course continues its vice-like grip over the Myanmar Junta.

India on the other hand is deepening its ties with the US/Israeli Axis. In fact on the eve of the elections, massive military deals were pushed through by the Congress government without even a whimper of protest from any of the parliamentary parties. On March 26th India has signed a massive Rs.10,000 crore deal with an Israel company for the supply and joint development of surface to air missiles of 79 kms range. The DRDO already has the Akash missile with a range of 30 kms and has the know how for a 70 km one. And the again within just 10 days, on April 7th the Centre hastily signed yet another deal with the Israel Military Industries for Rs.1,200 crores to manufacture artillery. The Indian government was also finalizing locations for \$150 billion worth US nuclear power reactors promised to Washington during negotiations. Referring to India's 10,000 MW US nuclear power reactors, Saran (the US agent foreign secretary) did not expect opposition from state governments. Given the elections he requested the US to meanwhile find Indian companies as collaborators.

The biggest flashpoint of the region in fact is going to be an extension of the war in Afghanistan into Pakistan where three forces are contending – the Taliban, China and the US. This is pulling the country apart and the US is already predicting Pakistan will collapse within a month. In the coming conflicts it is clear that India will be used as cannon fodder in its geo-political strategies of destabilization in this explosive region. In end March, Obama unveiled a new Afghan war strategy. He bluntly warned Pakistan that a blank cheque could not be given if it did not show a commitment to root out the Al-Qaeda. He vowed to wipe out terrorism from safe havens within Pakistan and identified Russia, China and India as countries having a stake in the security of the region. Describing the volatile Afghan-Pak region as the most dangerous place in the world, and the situation in Afghanistan as increasingly perilous, he said intelligence reports warned that Al-Qaeda planned attacks on the US from its safe havens within Pakistan. Said, he would send 4000 more troops and triple aid to Pakistan to \$7.5 billion over three years.

Mass Upsurge & Revolts Throughout the World

In an article *How the Food & Financial Crisis are Interconnected* by Eric Toussant, he said: *In 2007-08 the standard of living of more than half the world population dropped dramatically when the price of food soared. Before the current price increase, 850 million people (13% of the world population) were chronically hungry. Now, the World Food Programme estimates that the crisis has driven another 100 million people into hunger. There were massive demonstrations in at least 15 countries in the first half of 2008.*

After the present crisis broke out in September 2008 and its impact on the people began to be felt throughout the world there has been a massive upsurge throughout the world. The most notable have been the uprising in Greece and the two General Strikes in France in the course of just three months. Also there has been the rise of gigantic demonstrations at all meetings of international capitalist forums. The most notable was the planned meet in Thailand on international trade which, for the first time ever, had to be cancelled and delegates airlifted out of the country to save them from the peoples' wrath. The massive revolt in the Bangladesh paramilitary force was an indication of enormous discontent brewing even in the State's own forces on which they will find it increasingly difficult to rely.

Entire Europe panicked with the uprising in Greece spreading to all corners of the country and solidarity actions throughout Europe. The trigger was the killing of a 15-year old boy by the police which developed into a mass upsurge against the government against the lay-offs, unemployment, and other policies. There were militant actions and continuous battles with the police. Police Stations and government buildings became the target of peoples' anger.

France witnessed massive demonstrations and two general strikes – one in January and another in March. With over 75% of the population supporting the general strike, France came to a grinding halt on March 19th when about two million people demonstrated over the country. Some 215 demonstrations were planned (compared to 195 on Jan 29) in what was a

repeat of the hugely successful general strike staged on Jan 29 when 2 million people struck work. The protests which bring together private and public sector workers are against closures, job cuts, the high cost of living and increased poverty and job insecurity. Large scale disruption took place in air and rail traffic and schools, post offices, parks, museums, hospitals, and other public services. Although France is not as hard hit as Spain and Italy and job losses this year are expected to reach half a million. The only sector that has remained buoyant is the luxury goods sector.

In the forms of struggle another aspect has been the return of the *Gherao* to Europe where numerous instances have been there where workers take CEOs or top managers hostage and bargain against their lay-offs. On April 4th in France workers at the Caterpillar headquarters as well as at the Sony and 3M plants have held senior executives, including the CEO of Sony, hostage over sudden mass layoffs. In the Visteon car plants in the UK, the workers occupied the factories after more than 80% of the staff at one of them was sacked on one day. In another case the protest has resulted in negotiations and concessions by the management.

The CEO of the international giant 3Ms was held hostage in South France when workers blocked the street with dustbins and banners. One of the world's wealthiest men – boss of Christies, Printemps and FNAC – was freed by police after permission was given that workers could send a delegation to the board meeting. Four executives of Caterpillar were forced to spend the night in their offices when plans to cut 700 jobs were announced.

On the eve of The 60th Anniversary of the North Atlantic Treaty Organisation on April 4th, Paris was marred by violent protests in the North-Eastern French city of Strasbourg, where the meeting is being held, and across the river on the German side. The NATO leaders were able to stage a "walk of unity", crossing a bridge over the Rhine, which separates France and Germany, but later in the day another bridge, called the bridge of Europe, was taken over by masked anti-war and anti-globalisation protesters, who waged pitched battles against the police and

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DISASTROUS BID TO RAISE FDI CAP IN INSURANCE SECTOR

Gupta

THE proposed Insurance Laws (Amendment) Bill, 2008, if passed, will wreak havoc with the lives of the insured millions, agents and the economy as well. This Bill aims to strengthen foreign control in the Indian private insurance companies by increasing FDI from 26% to 49%. But it is certain that this will certainly make the existing Indian promoters of joint venture insurance companies billionaires within a short period. Both the Indian promoters along with their foreign partners will find great opportunity for making a killing at a time when the entire private insurance sector in the capitalist headquarters is exasperating. It is clear from the official documents of World Bank, IMF, the Report of Strategic Partnership between India and the US, etc. that there remains a continuous pressure on the Indian government since long to remove all restrictions on FDI entry and FDI capture of the insurance sector in India. The new insurance bill will allow the foreign insurance giants, now making a desperate bid to come out of crisis, like AIG., New York Life, Allianz, Standard Life, Sun Life, AXA and ING along with Indian big capitalists like the Tatas, the Aditya Birla Group, Analjit Singhs, Sunil Mittals, the Bajaj group, HDFC, etc. to make quick bucks in the insurance market in India.

Among others, we may refer to the laudatory Report of the CEO Forum titled "US India Strategic Economic Partnership" placed in 2006 long after the adoption of liberalisation policy by the Indian Government. In Appendix it dictated under the Sub-title "Financial Services" on Insurance and Pension/Asset Fund Management that "It is a matter of urgency to raise foreign ownership cap in insurance to 49% and that "Foreign investment in insurance and pension should be allowed to own their business and distribute products to all potential customers in a free market."

Similar view is found in the World Bank's crucial document "Country Strategy for India." - World Bank" and, such other documents dictating to India on the further liberalisation of the economy.

Following the path of financial liberalisation in the 1990s, already a range

of new financial instruments and new forms of financial innovation were permitted. In the insurance sector, the Insurance Bill which was passed in 1999 effectively allowed the entry of foreign financial giants into the Indian insurance market. This path under imperialist globalisation brought about a policy decision that undid the earlier restrictions in the insurance sector. On 19 January 1956, 245 insurance companies controlled by Indian and foreign players were nationalised to form Life Insurance Corporation. Large scale corruption, defalcation of people's money and the resultant protests of insurers compelled the Indian Government to take such a step. In 1999, the then NDA government reverted that decision by allowing 26% foreign capital in the insurance sector. When the UPA government tried to pass Insurance Bill, 2008, it actually did this in order to implement basically the US diktat as referred to above. Following the same anti-national policy, the outgoing central government allowed FDI in socially and politically sensitive industries like electronic and print-media, telecommunications, banking and insurance and whole-sale trade.

The world capitalist economy is reeling under unprecedented crisis. One of the main roots of this crisis lay in the imprudent investments, where the insurance companies also invested heavily in derivatives and went bankrupt. The UPA government under Manmohan Singh introduced the Insurance Bill in the Rajya Sabha on December 22, 2008, at a time when the USA and European governments were taking control of the failed insurance and banking companies.

Another Bill was introduced in the Lok Sabha, LIC (Amendment) Bill 2008, aimed to increase the equity of LIC from Rs.5 Crore to Rs.100 crore. On the face of it, this seems to be a harmless amendment. But when one considers it in the context of the Malhotra Committee recommendations advising disinvestment up to 50% of LIC and GIC, that amendment was portentous as being the first step towards disinvestment of LIC in future. It is notable that LIC had the assets worth Rs.8, 04,000

crore and a liability of Rs.6, 87,000 crore. Thus in December 2008 the assets surpassed liabilities by more than a considerable sum of Rs.1, 17,000 crore. The ground reality makes it eminently clear that LIC did not need any equity increase. The proposed Rs.100 crore increases in equity was clearly a definite step towards disinvestment. And it has been time and again prescribed by World Bank, IMF, MNCs, US and other imperialist governments for looting the insurance sector.

There is a huge counter pressure from the staffers in the insurance sector and the common people against this insidious move. Considering this, UPA government resorted to a slow and step-by-step process. To put it in the right perspective, allowing the FDI control is more like an extension of the much discredited practice in the license permit era that allowed preemption and, then, premium sale of government licenses by their private owners. This unique method of the earlier Congress regime helped many first time entrepreneurs become big business tycoons with in a very short period of time. By the 1990s, with the introduction of the liberalisation policy, that license permit raj/regime was officially abolished but it was allowed to come with a big bang through the introduction of the practice of first fixing FDI caps for various industries and later by relaxing the caps for the benefit of both Indian and foreign collaborators. Privatisation of the telecommunications sector is a case in point. Initially it was started with apparently strong restrictions on foreign equity collaboration and control. However, within a short period, things began to change completely. This helped the Indian promoters of Cellular mobile telephone service such as Modi Telstra (B.K. Modi), Bharti Airtel (Sunil Mittal), Usha Telecom (B.K. Jahwar), Essar Hutchison (Ravi and Sashi Ruia) to reap astronomical profits through Stake sales. The same drama is going to be enacted in the insurance sector with the proposed enhancing of the FDI cap to the extent of 49 percent. A skewed argument is given by the government that this increase will

strengthen the stock market. It is common knowledge that foreign collaborators are not poised to raise their equity stake from 26 percent to 49 percent through the market route seeking expansion of the equity capital of their joint ventures by means of initial public offering (IPO). In fact they will acquire the additional 23 percent shares from their respective Indian promoters or joint venture partners, who currently hold 74 percent, at negotiated price. Here we should keep in mind the recently changed guidelines for facilitating the FDI entry via the back door. The proposed hike in the FDI in the insurance sector has nothing to do with the stock market boost by ways of private share transaction between two joint venture partners.

To understand this anti-national move of opening insurance sector door wide, we have to keep it in mind that in the insurance business one part comprises life-insurance and the other consists of non-life insurance. The former is a big source of cheap long term funds for the promoters to earn huge returns by mostly investing in infrastructure like projects. Foreign investors now set their eyes on this type of business and the central government, World Bank, etc. have laid so much stress

on such projects for the past several years. The general insurance business is somewhat tricky with more risk factors and premium rates. However, it will be naive to think that the international insurance giants would leave this part of the insurance sector.

Dark Scenario of the Insurance Sector

How reckless is the pro-globalisation lobby in opening the door open for the FDI can be gauged from the timing when the big giants in the insurance sector have already crumbled headlong. Indian economy too has been thrown in a bind with the unprecedented crisis. The life insurance sector in the country is in the red as shown by the figures released by the insurance Regulatory and Development authority in its annual report for 2007-08.

The losses posted by the private sector life insurance companies more than doubled to Rs.4, 487 crore in

2007-08 compared with Rs.1, 934 crore in 2006-07. Only four insurers among the 17 in the fray posted some profits in 2007-08. The largest losers are ICICI - Prudential Life Insurance to the tune of Rs.1, 395 crore and Reliance Life posted at Rs.768 crore during 2007-08.

LIC, the public Sector unit, somehow managed to post a moderate growth in profits at Rs.845 Crore in 2007-08. The general insurance sector did better than the life insurance sector, although profits were down by 80 percent for the private sector players, profits for 10 private players were down to Rs.44 crore in 2007-08 compared with 228 crore in 2006-07. The biggest loss among private players as well as the industry was recorded by Reliance General Insurance at Rs.165 crore.

Even the four public sector insurance companies have seen their combined profits come down to 24 percent i.e. Rs.2, 205 crore.

Thus the entire insurance sector, particularly the private players are in a crisis stage when the government pushes for increasing FDI cap in the insurance sector. The Insurance Regulatory and Development Authority (IRDA) in its annual

report for 2007-08 made it clear that the growth in life insurance business in the near future might not be as 'robust' as it was because of the economic crisis. The IRDA report said "Under the present position in the financial markets, it is difficult to raise funds from the capital markets and promoters may find it difficult even to divest their own investments in a bearish stock market." The insurers underwrote a premium of Rs.14, 320 crore in the first quarter as against Rs.12, 511 crore in the comparable period last year, the report added. It said that the premium underwritten by LIC declined by 12.31 percent while that of the private insurers increased by 72.9 percent. The number of policies written at the industry level declined by 7.8 percent, led by a significant decline to the extent of 23.4 percent in the policies written off by LIC.

The Insurance Sector Crisis and Axing of Agents

The insurance industry added about 10 lakh agents, but 4.8 lakh agents were terminated in the year 2007-08. As of March 31, 2008, there were 25 lakh agents in the country, which was 26 percent higher than

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Life Insurance Sector in the red in 2007-08

Profits (Losses) of general insurance cos			Profits (Losses) of life insurance cos		
	2007-08	2006-07		2007-08	2006-07
New India	1401	1460	Birla Sun Life	-445	-140
Oriental	9	497	ICICI Prudential	-1395	-649
National	163	421	ING Vysya	-191	-178
United India	932	529	HDFC Standard	-244	-126
Royal Sundaram	5	21	Max New York Life	-257	-60
Bjaj Allianz General	160	75	Reliance Life	-768	-315
TATA AIG General	16	22	Bajaj Allianz	-297	-72
Reliance General	-165	2	SBI Life	34	4
IFFCO Tokio	7	27	Kotak Mahindra	-72	-110
ICICI Lombard	103	68	Tata AIG	-339	-72
Cholamadalam	7	12	Metlife	21	-12
HDFC Chubb	-17	2	AVIVA	-202	-132
Future Generali	-17	2	Sahara	3	-1
Universal Sompo	0	--	Shrimam Life	5	10
Total	2250	3138	Bharti AXA	-242	-80
			LIC	845	774
			Future Generali	-30	-3
			IDBI Fortis	-26	--
			Total	-3600	-1162

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DOWNWARD FALL OF THE RUPEE

Gupta

THE rupee has been continually falling vis a vis the US dollar. The sharp depreciation of the rupee has taken its value to the extent of around Rs.50-to-a dollar in a situation when the global economic crisis still finds no way out and the Indian economy is in dire straits. The current fall in the value of the rupee can be ascribed to the global turmoil that now hits India both on the external and internal fronts. The current account deficits on India's balance of payments are on the rise. The deficit rose from 1.5% of GDP in 2007-08 to 3.8% of GDP during April-September 2008. India's GDP growth itself decelerated significantly from 7.6 percent (year-on-year) in Q3 to 5.3 percent in Q4. Even the UPA government lowered its earlier GDP projections from 7.1% to 6.5 – 7%. The IMF considers it around 5%.

The consequence of balance of payments deficits is recorded in the moderately increased imports and steadily decreased exports. Now it is the worst time in decades for the Indian foreign trade. While exports declined by 21.7 percent in February for the fifth straight month (sharpest in a decade), imports bill kept apace, though not like in the past. However, India's monthly trade deficit came in at \$4.9 billion for February 2009. [*Business & Economy*, 17-30 April, 2009]. These are tough times for Indian economy and they are to last. Merchandise trade data available till December 2008 clearly indicate that India's aggregate merchandise exports have declined in the continuous 3 months starting from October 2008. Thus export growth became much lower than a year ago. Against this trend, merchandise imports recorded a higher growth of 30.8 percent in the period from April to December 2008, which recorded 3.2 percent more than a year ago. International oil prices forced India to bear the burden of oil imports for some time. The rupee value decline cannot be explained solely on this factor and now the pressure of petroleum prices has lessened yet the rupee value is declining. Secondly, India's services export in the first six months of 2008-09 remained not too bad and it could neutralize part of the widening trade deficit and moderating current account deficit. It has been found

that while trade deficits increased steadily, the current account deficit grew at a comparatively less speed. Thirdly, with massive job loss in the West, Indian workers are supposed to come back with accumulated savings. This could have, for the temporary period, made up for the fall in the value of ongoing remittances owing to large-scale loss of jobs.

On the whole, a widening current account deficit must have some impact on the depreciation of the rupee. Simultaneously, the capital account related problems do have their role in the declining value of the rupee. The role of the capital inflows and outflows has a significance that comes prominently to the fore since with the flight of capital particularly by the FIIs (Foreign Institutional Investments) from the second half of the 2008 clearly impacted the foreign exchange reserves in India and India's balance of payments. The FIIs had taken \$13.1 billion (Rs.67,000 crore) out of India in 2008 and another \$2.3 billion (Rs.11,800 crore) till mid March 2009. This was the consequence of the global economic recession. Here we should mention it that foreign investment flows rose steeply from \$4.9 billion in 1995-96 to \$29.2 billion in 2006-07 and then jumped enormously to reach \$61.8 billion in 2007-08. Notable, that even when the capital inflows were generally dwindling in the so-called emerging economies India became the most coveted destination for such foreign capital with lots of concessions and relaxations undertaken by the Indian government. The global economic crisis struck India heavily in the end 2008 and the situation changed. It was then the flight of foreign capital from India taking a heavy toll on India's foreign exchange reserves. The stock markets miserably failed, the GDP growth had fallen to 5.3 percent in the third quarter (October-December 2008), agriculture and manufacturing sectors recording growth rates of 2.2% and 0.2% respectively, export and imports declined by 15.9% and 18.2% respectively by January 2009 (in dollar terms) in comparison to January 2008. It was obvious that the Indian rulers became heavily dependent on the FIIs of mysterious origin and stock market boom. Net foreign direct

investments in the crisis period somewhat diluted the adverse situation in India's foreign exchange reserves, which stood at \$292.7 billion at the beginning of February 2008 and fell to \$248.6 billion in end January 2009. The RBI's weekly statistical supplement records it that for the week ended April 10, reserves declined by \$2,183 billion to stand at \$252.977 billion, [*Business Line*, 26 April, '09]. This secular fall in reserves does explain the weakness of the rupee. Still this phenomenon does not provide the whole reason behind the depreciation of the rupee. The huge fall in export which was 21.7% decline in February 2009 is of significance as it adversely affects the currency reserves. Among other factors, mention may be made of huge borrowings made by Indian corporations in foreign exchange in international markets in the past in the form of bonds convertible to equity, came approaching maturity. This needs paying back in foreign currency. Net external borrowings by India paced up from \$24.5 billion in 2006-07 to \$41.9 billion in 2007-08. This enhanced the liabilities in the form of debt securities, trade credits and loans zooming up from \$105.1 billion in end June 2006 to \$175.6 billion in end September 2008. This factor has had obviously adverse impact on India's foreign exchange reserves.

The globalization path, the harmful policy of dependence on speculative capital by India, debt services, various types of liabilities, acceptance of convertibility of foreign capital, the false dream of high level of growth at the cost of crores of people, excessive reliance on outsourced jobs to boost up particularly IT and IT enabled services, millions of dollars wasted buying arms from abroad, etc, have a cumulative impact leading to the steady decline in foreign reserves, balance payments deficits and the value of the rupee. FIIs will be gradually making inroads in India for a better prospect. Indian ruling classes can not jettison the globalization policies and so the rupee might gain appreciation but with all the above factors remaining in place the turmoil will be felt again and again spelling ominous repercussions on the Indian economy and the people.

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UNBRIDLED FDI ENTRY AND UPA GOVT'S BETRAYAL

Gupta

INDIAN economy is exasperating. The unprecedented crisis of capitalism has already endangered Indian economy. The jobless growth scenario of so many years has now been further paled by both downward growth and vanishing of the existing jobs by more than hundred lakhs. Imperialist globalization policy meekly accepted by the central governments has wreaked havoc on the Indian economy and people. The UPA government with a bare majority and in a situation when Lok Sabha elections are round the corner hastily altered the existing law on the entry of foreign funds on February 10, 2009. In a brazen display of sycophancy it allowed the backdoor entry of foreign fund flows in the domestic joint ventures channeled through Indian entities. The government logic was that such a relaxation would boost foreign investments to lift the country out of the economic recession. All that the foreign investor has to do is enter into a joint venture even with minority holding with an Indian company – that is a company, which is holding majority of domestic investment and management control. This company then can set up another company in which the foreign company can make further majority holding. Yet now it will be treated as domestic investment enjoying all the rights of domestic investment.

The decision to alter the FDI policy guidelines was taken by the Cabinet Committee on Economic Affairs (CCEA). The *chamchas* of imperialism incorporated such dirty clause in the new guidelines:

“The foreign investment through (an) investing Indian company would not be considered for (calculating) the indirect foreign investment in (the) case of Indian companies owned and controlled by residents and Indian companies owned and controlled ultimately by residents”.

What a tricky logic in the name of encouraging steady inflow of foreign funds! Such a move effectively made FDI caps meaningless. The government logic was that equity investments routed via Indian firms would be treated as fully domestic equity. So long the norms were that if a firm with say, 40% foreign and 60% Indian equity invested Rs.100 crore in

another firm, Rs.40 crore of this amount would be treated as FDI. And now under new norms it will be treated as zero FDI. To elaborate further, now a foreign company ‘A’ can form a 49:51 joint venture company with an Indian company ‘C’; with an Indian company ‘B’. The new norms will treat ‘C’ as an Indian company. Now if ‘C’ invests in another downstream company to any extent below 100%, even up to 99.99% it will qualify as an Indian company having no FDI. And since ‘D’ will be considered as having no FDI, it can now operate in any sector of the economy including retail, in which officially FDI is not allowed. When asked why such policy change regarding FDI? Pat came the reply from Mr. Chidambaram “(It) is to make (FDI policy) simple and transparent, according to the Department of Industrial Policy and Promotion (DIPP).”

Insurance, Telecom, Retail, Aviation, etc. sectors to be Swamped By FDI

The major beneficiaries of such betrayal of national interests will be companies in telecom, aviation, retail, insurance and media sectors which received all pressure so long to throw the FDI gates wide open. World Bank, IMF, MNCs had been continuously pushing the Indian government to completely jettison the policy of restricting FDI, FII. And now they welcome the new policy.

In the telecom sector Bharti Airtel and Vodafone are the major beneficiaries. In the case of Bharti Airtel, Singapore Telecom holds 15.58 per cent direct stake and another 14.4 per cent through a 32 per cent stake in the Sunil Mittal promoted holding company Bharti Telecom. Bharti Telecom, owned and controlled by Indians, hold 45 percent stake in Bharti Airtel. Before the change of the earlier restrictions on the FDI entry, both the stakes held by Sing Tel were being counted while calculating the FDI level in the listed Bharti Airtel. However, under the new guidelines, the indirect stake held by Sing Tel through Bharti Telecom will not be counted as FDI. This means that Bharti Airtel can now get additional foreign investments directly into the company if it

so decides. This also allows the Mittals to further dilute their stake in Bharti Telecom to a foreign investor without impacting the FDI cap in the Telecom sector, which stood at 74 percent before new norms.

Similarly, in the aviation sector, the new norms are obviously to increase FDI, particularly in the business jet aviation sector expected to grow at least by 20 percent in the next few years. The anti-national decision could also benefit some airline companies which have entered the market looking for the much needed funding. “The decision gives more room to sectors wherein indirect foreign holding was being counted to calculate FDI levels....” said Mr. Vishal Malhotra, Partner, Ernst & Young [*Business Line*, 12.02.09]. Essar’s investment in Vodafone, for instance, was so long counted as FDI since part of it came from a company registered abroad. However, now this would be treated as domestic investment.

In the retail market, such new norms shall wreak havoc. Commenting on the new FDI norms, Mr. Kishore Biyani, Group CEO, Future’s Group, said, “From what we can comprehend, a direct implication of this means that existing foreign investors in Indian retail can increase their stake through the indirect mode.” [*Business Line*, 12.2.09]

The response of foreign investors to this cunning decision may not be immediately on a large scale, especially in industry in India in the context of global financial crisis. But agriculture and service sectors will still be able to attract foreign investment on this basis. The foreign companies which initially agreed to minority share holding in joint, found ways to establish their controlling position in the operation and management of these ventures. Side by side, the new norms have made room for setting up their subsidiaries in India to compete against joint ventures in similar or same lines of business.

Notable it is that after brazen surrender to the foreign capital, on February 2009 the government ruled out review of the new FDI policy when a barrage of criticisms was heaped on the UPA government. Mr. Kamal Nath,

the commerce minister categorically said, "There is no question of review." [Statesman, 21.02.09]. Actually speaking imperialist masters' client state India had to follow their diktat obligingly to the detriment of the Indian national interests.

FDI Norms-Change and Imperialist Globalization

The Vice-President of the World Bank Group, South Asia Region remarked at World Bank, CII Conference on November 24, 2004 that for the reforms programme beginning in 1991 in India included "industrial and trade liberalization; financial deregulation; improvements to supervisory and regulatory systems; and *policies more friendly to privatization and foreign direct investment...*" [Update, Series 11, July 2005] (Stress ours)

The World Bank-IMF's prescription for globalization based so-called "Structural Adjustment Programmes" (SAP) clearly mentioned, among others things, removal of restriction on foreign investment in industry and financial services. And acceptance of the SAP was not enough; India was bound to agree to the WB/IMF strictly monitoring its compliance. The actual objective of SAP makes it obligatory to the third world countries open capital flows from the developed capitalist countries. The collaborators of imperialist capital in India, particularly since the 1980s allowed an upsurge in global capital inflows as FDI. Ever since acceptance of the SAP, by the Indian governments, be it under the Congress or the BJP at the helm, rapid steps have been taken to remove all barriers to foreign direct investment. As a result FDI inflows between 1991-92 and 1999-2000 zoomed from 129 million US dollars to 2200 million US dollars. In fact the term 'global capital flows' is actually MNC capital flows of just a handful of giant behemoths. It is to be remembered that the largest 100 MNCs controlled an estimated one-fifth of global foreign assets in 1998. With further concentration in the past one decade the situation has turned graver.

Free inflow of FDI has been the major objective of the liberalization regime since the 1990s. Successive governments have targeted an annual flow of such investment first at \$10 billion and then even more. To this end ceilings on foreign shareholding were relaxed and raised to such a height as

100 percent in many industries. This way FDI up to 100 percent is now permitted in all manufacturing activities, with some exceptions, FDI up to 74 percent for telecom services like internet service providers with gateways, radio paging and end-to-end bandwidth and a number of initiatives in the NBFC sector. In 2001 itself, policy initiatives on the FDI front included permitting FDI up to 100 percent for development of integrated townships including housing, commercial premises, hotels, resorts, city and regional level urban infrastructure facilities in all metros. Then FDI came to be allowed up to 100 percent through the automatic route for mass rapid transport systems in all metros including associated commercial development of real estate, drugs and pharmaceuticals. Even in the defense industry up to 100 percent for Indian private sector participation with 26 percent FDI limit was permitted. This was the scenario at that stage of liberalization till 2001. Since then deregulation went in tandem with increasing dependence on the foreign capital.

The liberalization regulations relating to the inflow and terms of operation of FDI as central to the economic reform programme is justified by the imperialist globalization lobby on two grounds. First, that the FDI would supplement domestic savings, allowing the domestic investment rate to exceed the domestic savings. Second, that foreign investment in technologically advanced Greenfield projects would actually enhance India's export effort. It is also added that the FDI inflows would increase net foreign exchange and thus shore up India's balance of payments.

First of all we have to keep it in mind that the problems emanating from the FDI inflows are common to all the third world economies. FDI inflows have gradually replaced external loans, and foreign capital inflows are increasingly taking precedence over foreign debt inflows to finance the current account deficit. This explains the low rate of increase in foreign debts of such countries like India since the 1980s.

Like the interest paid on foreign debt, MNCs earn (according to the former RBI governor S.Venkataraman, 20-22% effective return) and repatriate profits. In real terms, such huge FDI based profits are a greater drain on the Balance of Payment (BOP) in comparison to

borrowings. And the rate of profits is much more than estimated by the former RBI governor. Besides that, there is transfer pricing – a method adopted by MNCs to disguise inter-country transfer of profits. This is firstly done by overpricing capital goods imports made by a subsidiary in a third world country while the parent company is located in the USA or such powerful capitalist countries.

Foreign exchange drain has been a major area of concern since the liberalization policy started working in full form. Net per-firm foreign exchange flows, which amounted to an inflow of Rs.44 lakh in 1990-91 and Rs.219 lakh in 1993-94, turned into an outflow of Rs.69 lakh in 1994-95. The outflow had risen to 1.2 crore by 1996-97. What is more, even in 1990-91, firms in sectors like engineering and chemicals, which were the ones receiving further investments in the subsequent years of liberalization of FDI regulations, were already registering large outflows. The evidence proves that FDI of the kind that India received in the liberalization decade was a factor contributing to a foreign exchange capacity, writes C.P. Chandrasekhar & Jayati Ghosh [In *The Market That Failed*, Leftword, 2006, p.137]

What pro-globalization economists in India conceal is the enormously increasing capital outflows on account the earlier FDI liberalization. With the current norms as altered by the UPA government such outflows will inevitably rise sharply. According to an RBI survey covering the period 1981-82 to 1985-86 (taking into account 942 collaborations out of over 3000 collaborations in the said period) it was found that net foreign exchanges outflow was a whopping Rs.2289.2 crore. This was 8 times the drain of foreign exchange in comparison to the total foreign capital inflow in India. Here we should add that the said RBI survey was quite sketchy and did not mention the total FDI companies in India. It was also the period when FDI invasion on a massive scale did not start as such. On the other hand, another feature is to be taken down from the earlier 40% to 51% and even in some cases 100% in ownership of shares of equity in the subsidiaries of MNCs in

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RESURGENT RUSSIA ON THE PROWL

Akhil

AFTER the fall of Soviet Union; President Yeltsin implemented IMF, World Bank sponsored economic policy of “Shock Therapy” in Russia, where prices were liberalized, and state property was privatized overnight to transform the state-capitalist economy in to a market economy. This policy led to an economic crisis of unprecedented scale during the years 1992 to 1995 when Russia experienced a steep decline in GDP and per capita income, high inflation, unemployment and degradation in the living standard of the masses. The hasty privatization policy of state assets without even proper valuation only brought fortunes to a handful of Businessman who colluded with the bureaucracy and opportunist and influential Party members and associates at the cost of the large section of the masses. When Russian economy went down to a tattered state and masses of the country faced immense hardship leading their daily life, the handful of oligarchs amassed super profits in their private coffers. In a very short period, Russian society became highly polarized into super rich and very poor.

The abysmal economic condition relegated Russia virtually to nobody in international politics and in the mean time; U.S strengthened her hegemonic role and projected herself as the undisputed leader of what it perceives as the unipolar world. From 1999 onwards, along with Putin’s appointment as the president of Russia, the Russian economy recovered from the deep contraction of the previous 8-9 years. Favorable rise in the international price of Russia’s chief exports ,Oil & Gas, and gradual increase in Oil and gas production to almost to the level of Soviet Era , hugely contributed in the process of economic recovery. Though the trickle down benefits of the super profit from Oil and gas to the masses is yet to be ascertained; the super profit from Oil and gas sales surely helped Russia to curb its external debts from US \$ 130 billion in 1999 to less than US\$ 40 billion at the end of 2007. The hard currency earned was ploughed back in oil & gas and defense industry as investment to reap more profits.

The leadership of Putin implemented a policy of building a strong and powerful Russia taking support of the favorable external conditions. Putin reversed many of the Yeltsin era policies like privatization to nationalization (particularly Oil & Gas assets and Defense Sector industries) , decentralization to centralization .The role of neo rich oligarchs in Russian economy and politics were severely restricted by Putin . Exemplary legal action on Mikhail Khodorkovsky, main shareholder of Oil giant Yokos , on charges of tax evasion and his subsequent conviction and imprisonment was able to generate a fear factor among the oligarchs . A few other oligarchs fled Russia to avoid the same fate and the remaining few maintained a close tie with the Putin led Kremlin bureaucracy. Putin ,an ex KGB man, appointed many of his old aides in important government posts in Kremlin and also in various important economic and political positions emulating the Soviet era style of functioning of the bureaucracy and the party . The strong economic recovery and strong political position in the country emboldened Putin and the ruling classes of Russia to move ahead to reclaim their Soviet era glory in international economy and geopolitics. The Russian leadership in the last few years employed economic, political and militaristic policies not only to increase Russia’s sphere of influence but also to create a counter weight to the U.S which throughout the 1990s and 2000s pushed into Russian spaces. Let us examine the various economic, militaristic, and political stances taken out by Russia in world arena to stand up to the U.S challenge.

The Georgia conflict: Aftermath of expansion of NATO and US backed KOSOVO policy

In the 1990s when Russia was reeling with its internal problems, U.S and U.S backed NATO steadily entered into the previous Soviet spaces .Many of the east European countries who were previously Warsaw pact members joined NATO. In 1999 Poland, Hungary and Czech Republic, three previous Warsaw pact member

states, joined NATO. On March 2004 seven new states, Bulgaria, Slovakia, Rumania, Estonia, Latvia, Lithuania and Slovenia joined NATO. Baltic States of Estonia, Latvia, Lithuania were previously part of Soviet Union and rest of the sates or their predecessor was part of the Warsaw Pact. Ever growing expansion of NATO was assessed as a threat to Russian security. The former U.S president George W Bush also stated that NATO is open to further expansion and suggested inclusion of Georgia and Ukraine, two former soviet states, in NATO.

After the disbandment of Warsaw Pact, NATO remained in existence and has taken up new role of combating so-called terrorism all over the world. In the changed circumstances, Russia had to accept NATO’s expansion. To Russian security analysts, though the setting up of NATO bases in Rumania and Bulgaria was justified for NATO’s West Asia operations; Russia felt that the setting up of bases in Poland and Baltic states were absolutely unnecessary in the changed role of NATO and was only posing a threat to Russian internal security. The expansion of NATO is definitely pushing the Russian federation towards Eurasia as NATO is also active in forming alliances with Azerbaijan, Georgia and Ukraine and practically encircled Russia in it’s northwestern, western and southwestern border.

On February 17 2008, Kosovo assembly, with US diplomatic support declared it’s independence from Serbia .The declaration was opposed by Russia and Russia warned that the event may set a precedence .U.S, NATO and E.U refuted the Russian objection and declared the instance as one of a kind event. The build up in Kosovo was related with breaking up of Yugoslavia in the early 90s. The brake up of Yugoslavia along ethnic lines into countries like Serbia, Croatia, and Bosnia left pockets of minority population in other ethnic majority dominated states. The minority- majority conflict broke out and in Bosnia, where minority Serb population wanted to secede from Bosnia and join Serbia, a bloody ethnic conflict started. In December 1995 an accord under U.S supervision was reached which freezed any further border adjustment in

the region and compelled the ethnic Serbs to live as a minority in Bosnian territory. Kosovo was an Albanian dominated province in Serbia, ethnic Albanians all over from Serbia started migrating to Kosovo and by 1997, and most of the people of Kosovo were Albanians, who demanded statehood or unification with Albania. A conflict with Serbian forces started and without U.N mandate, U.S – U.K backed NATO stepped in and bombed Kosovo and Serbian territory. A peacekeeping effort with Russia as a party stopped the conflict. Serbia and Russia objected to the double standard of U.S and NATO dealing with the issue. But U.S and NATO argued that Serbia had lost sovereignty over the region of Kosovo hence the action by NATO was justified. In the same line of logic U.S and NATO later legitimized independence of Kosovo.

On August 26th 2008 Russian president Medvedev signed decrees recognizing independence of two Georgian province of South Ossetia and Abkhazia. The declaration came after a short conflict in the region involving Georgian, South Ossetian and Russian forces in early August. Using the same logic used by U.S and NATO to declare independence of Kosovo, Russia had declared independence for the above two regions stating loss of sovereignty on the region by Georgia. Armed conflict and territorial disputes between South Ossetia and Georgia dates back to 1920s when South Ossetia tried to declare independence from Georgia. At the time of Soviet era, the Soviet Governments declared South Ossetia as an autonomous region within Georgia. In September 1990, South Ossetia declared independence but Georgian Government rejected the claim. An armed conflict began which was stopped after Sochi agreement for cease fire in 1992. The agreement also empowered Russia as a peace keeper in the province of South Ossetia.

Russia's bold action in Georgia is sending a signal to the world and to NATO and US that Russia is no longer to be messed with. The US is reeling in a deep recession and already involved in never ending wars in Iraq and Afghanistan and in no position to fight Russia over Georgia. Though it is believed that without US backing Georgian president would not

have attacked South Ossetia and challenge the Russian military might.

The Ukraine Russia Gas Dispute: A lesson to Ukraine and European States

Gaining confidence from the Georgian adventure, Russia on 1st January 09 cut gas supplies to Ukraine because of Ukraine's non payment of Gas dues. Russia asked Ukraine to pay its outstanding gas bill of more than US\$ 2 billion or face gas supply cut. Moscow also demanded an upward revision of its gas supply price to Ukraine, which received gas at a lower rate than the European customers did. Firstly, Russia cut the gas for Ukraine's domestic consumption and one week later cut the gas supplies for Europe passing through Ukraine. Russia accused that Ukraine was stealing the gas meant for Europe. The gas supply cut through Ukraine, which is also a transit country for Russian gas to almost 20 European states, severely affected the energy supply to European countries as well.

On January 16th a deal was formalized. The deal broadly formulated an upward revision of gas price to be paid to Russia by Ukraine at the European rate and upward revision of gas transit tariff charged by Ukraine from Russia from 2010 onwards. It was decided that in 2009 prevailing rates to be remained fixed. Ukraine imports over 60 billion cubic meters of gas from Russia every year, which cater for around 66% of her domestic consumption, and is heavily dependent on Russia's energy. While the ongoing global financial crisis has severely hit Ukraine's economy, and the West-leaning president Viktor Yushchenko suffered a sharp decline in domestic support, Russia's tough stance against the pro-west political forces in the Ukraine will certainly help the pro-Russian political forces in the coming general elections in the end of 2009 or in early 2010. Eastern European countries, who have actively supported Ukraine's entry into NATO, have also suffered from the latest gas dispute and the pressure tactics by Russia may compel them to adjust their policies toward Russia as they have more clearly realized their dependence on Russia's gas.

Russia Asserting its Geopolitical and economic Position as a Oil and Gas Giant

The above moves by Russia can be viewed as an effort to draw a new dividing line across Europe in particular and in general on the world scale between nations who are aligned with US and who are not. Russia is the second largest producer of oil after Saudi Arabia and is also the second largest exporter of oil. At the end of 2007 Russia had a proven reserve of 79.4 thousand million barrels of oil which is 6.4% of world reserve. In natural Gas, Russia is the number one natural Gas producer (20.6% of world production), number one natural Gas exporter (27% of world export) and also having the largest natural gas reserves of the world which was at the end of 2007 estimated by B.P energy survey as 44.25 Trillion Cubic meters which is 25.2% of the world reserves. Russia's role as the leading energy supplier to Europe commends a strong economic relation with European states. European countries depend largely on Russian Gas supplies. We saw the proposal of including Georgia and Ukraine in the NATO was vetoed against by Germany and France in April 2008. After the Rose Revolution in Georgia in 2003 and the Orange Revolution in Ukraine in 2004, where pro US governments were elected to power in Georgia and Ukraine, Russia had been deeply dissatisfied with Georgia and Ukraine's enthusiastic efforts to join NATO. The U.S and U.K effort to bypass Russia for getting oil and gas from central Asia and Caspian Sea region also angered Russia. The US and UK managed to build the worlds second longest oil pipeline (1768 km) from Azerbaijan's Baku through Georgia's Tbilisi and finally culminating in Mediterranean port of Turkey Ceyhan; which was commissioned in 2005. A natural gas pipeline from Baku through Tbilisi to Turkey was also commissioned in 2006. Russia is also annoyed by US and EU backed and proposed Nabucco natural gas pipeline which will start from Turkey and collect the Caspian sea gas carried by this new gas pipeline and send it to Austria through Bulgaria, Romania, and Hungary. Some analysts believe that the proposed Nabucco pipeline bypassing Russia was at the heart of the 2008 Russia-Georgia

conflict. The US UK plan to rope in east Caspian sea oil and Gas from Kazakhstan and Turkmenistan through a sub sea pipeline across the Caspian Sea to feed the oil and gas pipelines from Baku was jeopardized by Russia and Iran's rejection to sanction the sub sea pipeline on environmental grounds. The effort by US and some EU states to reduce dependency of Europe on Russia over energy supply is being taken very seriously by Russia. To decrease its dependency on transit countries like Ukraine, Poland, Belarus, Czech Republic, and Slovakia to supply natural gas to Western Europe, Russia is planning also to lay two pipelines. One of the proposed pipelines named Nord Stream is to start from Russia and going offshore through the Baltic Sea will reach Northern Germany and then fan out onshore to Western Europe. Russia is also planning to lay a South stream natural gas pipeline which will cross the Black sea and pass through Bulgaria to supply gas to Italy. A branch of the pipeline from Bulgaria through Serbia towards Austria will also be laid. Europe is also trying to cater its energy needs by importing Liquidified Natural Gas or LNG. In 2006 Europe accounted for around 24% of world energy import. Russia which is lagging behind in producing LNG is speedily developing its LNG capacity to compete in the LNG market.

These proposed new pipe lines by Russia will further strengthen the tie between Russia, Germany and other western European countries and will empower Russia to cut Gas supplies to the present transit countries mentioned before and East European countries if they turn hostile to Russian interests, without disturbing supply to western Europe and Italy.

Central Asian Oil and Gas a Bone of Contention: Consolidation by Russia-China in SCO

Russia along with transmitting its own oil and gas to Europe also is the transit country for Central Asian oil and gas to Europe. Russia has already consolidated its relation with central Asian countries through a security and economic pact called SCO (**Shanghai Cooperation Organisation**) .The major oil producing country Kazakhstan

and gas producing country Uzbekistan are members of the SCO along with Tajikistan, Kyrgyzstan, Russia and China. Turkmenistan, which is also a major natural gas producer on the east of Caspian Sea, had made an agreement with Kazakhstan and Russia to transmit its natural gas through Russian pipeline system via Kazakhstan. Presently Iran, Pakistan, Mongolia, India, and Afghanistan are observer countries to SCO .Iran has already applied for full membership in SCO in March 2008 while Pakistan through its long term ally China, is also strongly lobbying for Full membership to SCO. While India, which is day-by-day aligning with US foreign policy has not shown any interest for full membership of SCO. The growing security and economic cooperation between Russia and China in the coming times may lead to a new polarization nascent in the form of SCO.

The central Asian oil and gas has thus become a bone of contention between Russia, US and some of the EU states and these two competing forces are trying to consolidate their position in central Asia. As of now, Russia clearly managed to outsmart US led forces in building sphere of influence in central Asia. One of the principle motifs behind the US attack of Afghanistan was central Asian oil and gas and US had a dream project for a pipeline from Turkmenistan through Afghanistan to Pakistan and India (TAPI) which till date has not been materialized due to volatile condition in Afghanistan . The renewed effort by newly elected US president Barrak Obama to intensify military operation in Afghanistan may be seen in the light of this rivalry between the two forces to control central Asian energy sources. In Feb 2009 Kyrgyzstan parliament ratified a proposal to close the last remaining US air base on its soil and central Asia, the Manas air base near its capital Bishkek, used for US and NATO's Afghanistan operation. Kyrgyz president earlier announced the future closure of the air base after securing a Russian aid and loan package in tune of US\$ 2 billion. The declining relationship between Pakistan and US over Afghanistan war and Pakistan's internal terrorism issues may lead Pakistan to join the Russia-China led SCO with more vigor and which may totally jeopardize US's already protracted Afghan operation and will to control Central Asia .

Russia's World Gas Strategy: A new Gas cartel

In continuation with the policy of consolidation with respect to Oil and Gas of central Asia, Russia is also consolidating on the world scale to build a gas cartel like the oil cartel controlled by Organization of Petroleum Exporting Countries (OPEC). In the backdrop of dropping energy prices around the world as a result of the present Economic crisis, Russia felt that a more strong association between the Gas exporting countries is needed to control the future Natural Gas price. On October 21, 2008 in Tehran, the Gas Exporting Countries' Forum (GECF) agreed to form a cartel. Russia, Iran, and Qatar, who control two thirds of the world gas reserve and a quarter of the present world Gas production, announced that they intend to form a group with a coordinated gas policy. The OPEC controls more than three-quarters of the world's oil reserves and 40% of global production. Iran who is at loggerheads with US-UK over its nuclear policy has a very special political and economic relation with Russia. The officials of the Gas Exporting Countries Forum (GECF) again met in Moscow in December 2008 to formalize the loose grouping of Gas producers and exporters. Representatives from Algeria, Bolivia, Brunei, Egypt, Equatorial Guinea, Indonesia, Iran, Malaysia, Nigeria, Qatar, Russia, Trinidad and Tobago, the UAE and Venezuela — members of the GECF — have been holding meetings since 2001. The Russia-Iran-Qatar trio is to play a leading role in the future to control GECF and Gas production and pricing. Such a cartel would likely hamper the US and UK and some EU state's effort to reduce dependency on Russian Gas because it could provide Russia with more influence with suppliers the EU hopes to use as a supplement to Russian gas. The US on the other hand will surely try to woo some members of the GECF who are aligned with her to curb the control of the 'Trio' on the world gas market.

Russia's relation with Germany

Russia's major trading partner is the EU states, which accounted for 51.5% of Russia's trade turnover in 2007. Imports from Russia are mainly energy and mineral fuels products (66%) and, chemicals and

raw materials. EU exports to Russia are diversified, including machinery and transport equipment, manufactured goods, food and live animals. In 2007, EU goods exports to Russia was of 89 billion euro while EU import from Russia was of 143.5 billion euro. EU states are also the most important investor in Russia, accounting for almost 75% of FDI stocks in Russia. In 2007 EU investment to Russia was of 17 billion euro. Among the EU member states Germany and Netherland hold a very strong economic relation with Russia and Germany is Russia's most important trading partner among the EU states and also a key partner in the world scale.

medium size businesses. German investment in Russia was mainly aimed at Russia's wholesale and retail market, transport infrastructure, food and chemical industries, as well as electronics, construction and car production. German producers have already targeted the rapidly growing markets of consumer products and automotive sector in Russia. The Russian and German economies hold a very symbiotic and complementary relationship. The German engineering and manufacturing sector combined with Russia's abundant natural resources and energy resources joined together may form a strong association in the future. In April

Lebanese air defense .Lebanon for a long time were seeking for American F-16 jets to defend herself agaunst any Israeli attack and US by virtue of it's close relation with Israel was denying Lebanon.

Conclusion

The aspiration of Russian ruling classes to regain importance in world arena and to create counterbalance to hegemonic presence of the U.S is conspicuous from Russian Economic, Political and Defense activities. The development of a central Asian Security and Economic organization, SCO in collaboration with China and strong economic relation with Germany and some EU states may lead to a future economic /political power conglomerate comprising Germany-Russia-China to challenge the dominance of U.S. The Russian effort to evolve a Natural gas cartel in the line of OPEC will also have great impact on future energy politics. In the internal Russian economy, the overdependence on Oil and Gas and defense sector has led to negligence in other sector of economy like Agriculture, Engineering, Consumer Goods and Transport and Infrastructure. The close economic tie of Russia with Germany and China may fill the internal void in the above industries. The complementary nature of Russian economy with Germany and China in industrial sector may pave a way to a new collaboration between them and in turn a strong economic group may be formed.

However, the growing economic strength of the Russian Bourgeoisie must result into well being for the people of Russia; otherwise, internal descents will cripple the aspiration of the Russian elites. In contrast to the thin affluent section of the population, the condition of the 12-15% of the population who live below subsistence level and the 8% unemployed is worsening day by day. Facing severe protests from pensioners in September 2007, Putin ordered a revision of pension all over the country and sacked several ministers to increase the efficiency of the state machinery. The current financial crisis will also affect Russia and will trigger job losses as well .This may further aggravate the internal social tensions in Russia.

It will be interesting to see how the Russian Bourgeoisie manage to control the internal turmoil and advance further their international aspiration.

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Country wise percentage of FDI in Russia				
	2004	2005	2006	2007
Netherlands	36.9	54.5	28.5	46.9
Cyprus	28.5	11.7	27.7	20.9
Germany	4.5	4.2	4.6	4.2
US	4.4	2.9	2.9	2.3
UK	2.0	4.7	4.1	3.3
Others	23.7	22.0	32.2	21.0

The cumulative FDI in Russia at the end of 2007 was around 103 billion US\$ of which 27.8 billion flowed in 2007. From the above table (Table: Country wise percentage of FDI in Russia) it is quiet clear that Netherlands and Cyprus account for around 60-70% of Russian FDI ,but according to analysts the FDI flowing from these two countries is basically repatriated Russian capital perked abroad in the 1990s. It also shows that Germany has maintained a constant share in Russian FDI and the share of US has fallen from its 2004 level. In 2007, German exports to Russia increased by 20%, to 28.2 billion euro while Germany depends upon Russia for one third of her energy needs. German investments in Russia also rose by 9% in 2007 to rich over 1 billion US\$ and reached the level of US\$ 5 Billion. The high Oil/Gas earnings by Russia in the past years will help Russia to modernize other parts of it's economy and may result into lucrative contracts for renowned German engineering and construction companies. Already around 4,600 German companies have offices in Russia most of them representing small and

2008, Germany and France in NATO summit vetoed against a proposal to include Georgia and Ukraine in NATO.

Increased Russian activity with anti US states:

Russia already has a strong relation with Iran .In addition to that, Russia has initiated military and economic relationship with countries in Middle and Latin America who are at loggerheads with US governments. An economic cooperation agreement with Venezuela and joint military and naval exercise by Russian Fleet with Venezuelan Navy in the end of 2008 and visit by Russian navy to Cuba in December 2008 is widely perceived as a response by Russia to the US advances in Georgia and Ukraine. Venezuela has already a deal with Russia to buy weapons worth US\$ 4 billion. Nicaragua, where Daniel Ortega, Ex Sandinista revolutionary, is now the elected president, was the first country to recognize independence of South Ossetia and Abkhazia. In December 2008, Russia had also gifted Lebanon with its state of the art Mig-29 fighters to strengthen week

REVOLT SPREADS ACROSS THE GLOBE AS "CRISIS" CONTINUES TO UNFOLD

By Nathan Coe, GNN

THEY say that the fires of revolt will spread everywhere, and we see acts like damage to bank branches or state buildings and claims of solidarity with the Greek rioters."

After numerous European governments expressed fear that the unrest in Greece would spread to neighbouring countries and perhaps around the world, the spreading global revolt has taken on another tone: that of confronting the elite for their manipulation of the economic "crisis" (which is really a systemic collapse) in order to consolidate yet even more wealth as the masses of the world suffer the brunt of the former's greed. The spirit of the Greek revolt has not been forgotten, however, for it is clear whose interests the police serve and protect (as America was recently reminded in Oakland).

As Iceland became the first country to fall due to popular revolt against the economic elite, and then proceeded to elect their first female PM, who is also openly gay, things are heating up around the globe. Recently, over 1,000 protesters assembled illegally to protest the World Economic Forum in Geneva, Switzerland, and while the protests were overwhelmingly peaceful, fear of unrest prompted the police to systematically target and arrest known and identified militants and revolutionaries.

As GNN's Grady reports, in China "2,000 workers and farmers held wage protests for twelve days outside of Shanghai" in December 2008, "striking workers and security guards clash in a textile factory in Dongguan" on January 15th, and on January 16th, "100 police officers stage a rally in Shenzhen after being sacked from their jobs." The Times Online also reports that in the southern province of Guangdong, "three jobless men detonated a bomb in a business travellers' hotel in the commercial city of Foshan to extort money from the management." In the 12 days of mass demonstrations last December, the *Times* reports: "...angry workers besieged labour offices and government buildings after dozens of factories closed their doors without paying wages and their owners went back to Hong Kong, Taiwan or South

Korea. In southern China, hundreds of workers blocked a highway to protest against pay cuts imposed by managers. At several factories, there were scenes of chaos as police were called to stop creditors breaking in to seize equipment in lieu of debts."

In France, an estimated 2.5 million people hit the streets in a national general strike in response to the global economic collapse, and in disdain of the handling of the so-called "crisis" by their country's ruling-class economic elite. The *Telegraph* reported that "the streets filled with flag-waving protesters and in Paris protesters clashed with police, throwing bottles, overturning cars and starting a fire in the street. After a day of peaceful protests, violence erupted on the fringes of the Paris protest. Dozens of young men wearing scarves across their face were charged down by riot police after throwing stones and bottles, tearing up manhole covers and lighting fires in the Opera district."

On 19 March 2009, an estimated three million French workers went on a strike to protest President Nicholas Sarkozy's handling of the global financial crisis in France. The workers are demanding that the government "hike the minimum wage, increase taxes on the rich and scrap plans to cut public sector jobs." A recent poll found that 78 percent of the French population is supporting the strike. According to French media reports, the victorious six week strike of workers on Guadeloupe has boosted the confidence of the French workers. On the Caribbean island, workers fought valiantly for big wage increases, extension of social benefits, job preservation and advanced the fight for independence. Despite the menacing presence of a thousand men strong special police force ferried to that island by Paris to suppress the movement, the workers held out. Finally the government had to bow before the organized might of the workers and agree to settle their demands.

Demonstrations have paralysed or led to the fall of governments in Iceland, Latvia and Estonia. Protests have spread across Europe (France, Italy, and Spain), Asia (Thailand, Indonesia, and Philippines),

Latin America (Argentina, Peru) and in the US. (*People's Weekly World*)

The Beeb reports:

Across Europe, victims of the economic slump who are losing their jobs in their tens of thousands are furious that public money is being doled out to the banks. In some countries, they are more willing to vent their anger. As huge crowds took to the streets across France this week, in a national day of protests and strikes, the far left points to a boost in the number of its supporters in times of financial gloom.

Certainly, ministers in Paris are wary of some form of insurrection. Recent intelligence reports talk about an "elevated threat" from an "international European network... with a strong presence in France" and a "new generation of activists", possibly a "re-birth of the violent extreme left". A spokesman for the interior ministry, Gerard Gachet, told the BBC that the threat was real. "The term 'ultra-left' was used by the interior minister to set this group apart from the extreme left who turn up for elections and keep within the parameters of democratic debate," he says. But talking of more radical groups, he points to recent pamphlets and books published anonymously, but sometimes with a circulation of about 20,000, with titles such as "How to Start a Civil War and The Insurrection That is Coming". "They say that the fires of revolt will spread everywhere," he says, "and we see acts like damage to bank branches or state buildings and claims of solidarity with the Greek rioters."

The Guardian reported that "the French government fears a wave of extreme left-wing terrorism this year with the possible sabotage of key infrastructure, kidnappings of major business figures or even bomb attacks. Last week hundreds of fly-posters around Paris called on young people 'forced to work for a world that poisons us' to follow the example of their Greek counterparts. 'The insurrection goes on. If it takes hold everywhere, no one can stop it,' the posters said."

In another article entitled "Governments across Europe tremble as angry people take to the streets," The Guardian reported:

“France paralysed by a wave of strike action, the boulevards of Paris resembling a debris-strewn battlefield. The Hungarian currency sinks to its lowest level ever against the euro, as the unemployment figure rises. Greek farmers block the road into Bulgaria in protest at low prices for their produce. New figures from the biggest bank in the Baltic show that the three post-Soviet states there face the biggest recessions in Europe.”

Across Russia, thousands of protesters demonstrated against their government’s economic policies and response to the global economic crisis, echoing the grievances of others around the globe. Al Jazeera reports that “Russian police forcefully broke up many of the anti-government protests on Saturday, arresting dozens of demonstrators.”

In Mexico City, the BBC reports, thousands of people “protested against what they say is the inadequate response by the government to growing economic problems in Mexico.”

As the global economic collapse continues to unfold, the spirit of revolt and resistance is being rekindled within the hearts of the masses, and the people of the world are rising up. Resistance is spreading from Athens, Riga, Paris, Budapest, Kiev, Reykjavik, China, Mexico, and elsewhere.

Chris Hedges recently wrote that “the daily bleeding of thousands of jobs will soon turn our economic crisis into a political crisis. The street protests, strikes and riots that have rattled France, Turkey, Greece, Ukraine, Russia, Latvia, Lithuania, Bulgaria and Iceland will descend on us. It is only a matter of time. And not much time.” He continues:

At no period in American history has our democracy been in such peril or has the possibility of totalitarianism been as real. Our way of life is over. Our profligate consumption is finished. Our children will never have the standard of living we had. And poverty and despair will sweep across the landscape like a plague. This is the bleak future. There is nothing President Obama can do to stop it. It has been decades in the making. It cannot be undone with a trillion or two trillion dollars in bailout money. Our empire is dying. Our economy has collapsed. How will we cope with our decline? Will we cling to the absurd dreams of a superpower and a glorious tomorrow

or will we responsibly face our stark new limitations? Will we heed those who are sober and rational, those who speak of a new simplicity and humility, or will we follow the demagogues and charlatans who rise up out of the slime in moments of crisis to offer fantastic visions? Will we radically transform our system to one that protects the ordinary citizen and fosters the common good, that defies the corporate state, or will we employ the brutality and technology of our internal security and surveillance apparatus to crush all dissent? We won’t have to wait long to find out.

Joshua Holland, in a recent piece on AlterNet entitled “The Whole World Is Rioting as the Economic Crisis Worsens — Why Aren’t We?” reported that “explosive anger is spilling out onto the streets of Europe. The meltdown of the global economy is igniting massive social unrest in a region that has long been a symbol of political stability and social cohesion. It’s not a new trend: A wave of upheaval is spreading from the poorer countries on the periphery of the global economy to the prosperous core.” He continues:

Over the past few years, a series of riots spread across what is patronizingly known as the Third World. Furious mobs have raged against skyrocketing food and energy prices, stagnating wages and unemployment in India, Senegal, Yemen, Indonesia, Morocco, Cameroon, Brazil, Panama, the Philippines, Egypt, Mexico and elsewhere. For the most part, those living in wealthier countries took little notice. But now, with the global economy crashing down around us, people in even the wealthiest nations are mad as hell and reacting violently to what they view as an inadequate response to their tumbling economies. At least in Western Europe, cries of “burn the shit down!” are being heard in countries with some of the highest standards of living in the world — states with adequate social safety nets; countries where all citizens have access to decent health care and heavily subsidized educations. Places where minimum wages are also living wages, and a dignified retirement is in large part guaranteed. The far ends of the ideological spectrum appear to be gaining currency as the crisis develops, and people grow increasingly hostile toward the politics of the status quo.

How will the people of America respond to the systematic consolidation of wealth within their own country, coupled with environmental degradation and the unfolding police state? At what threshold will the people of America have had enough? At what point will we stand up and resist our own destruction? The choice is ours.

“You shouldn’t be so timid—you are not alone. There are millions of us waiting for you to make yourself known, ready to love you and laugh with you and fight at your side for a better world. Follow your heart to the places we will meet. Please don’t be too late.” — Fighting For Our Lives [Source: mikeely.wordpress.com Posted by one hundred flowers on February 21, 2009]

In France workers at the Caterpillar has as well at the Sony and #M plants have held senior executives, including the CEO of Sony, hostage over sudden mass layoffs. In three separate Visteon car plants in the UK, the workers occupied the factories after more than 80% of the staff at one of them was sacked on one day. In another case the protest has resulted in negotiations and concessions by the management.

The Hindu April 4th ‘09

France/NATO

The 60th Anniversary of the North Atlantic Treaty Organisation on April 4th in Paris was marred by violent protests in the North-Eastern French city of Strasbourg, where the meeting is being held, and across the river on the German side.

The NATO leaders were able to stage a “walk of unity”, crossing a bridge over the Rhine, which separates France and Germany, but later in the day another bridge, called the bridge of Europe, was taken over by masked anti-war and anti-globalisation protesters, who waged pitched battles against the police and special para-military riot police.

The protestors set fire to a hotel and to a border post and the police had to repeatedly use tear-gas to control the demonstrators. Strasbourg looked like a town under siege with thousands of protestors converging on the downtown area where the talks were being held.

The Hindu April 5th 200

May Day Demonstrations in France

Workers across Europe marked May Day with massive demonstrations that demanded jobs, better wages and pensions.

For the first time since the Second World War workers forced all the major trade unions of France to take the path of struggle. At the head of a mammoth cortege

of an estimated 1,60,000 people, workers from companies such as Caterpillar or Continental Tyres which have decided to shut down their plants in France shouted out their despair and anger.

Labour unrest is on the rise in France, as seen with “boss-nappings,” where workers hold company executives hostage in order to force negotiations on job cuts and plant closures.

Anti-globalisation protesters, women and the homeless demonstrated side by side with doctors, lawyers, students, teachers, workers.

Elsewhere in Europe, protests took place in Berlin, Athens and Istanbul. In Russia, thousands demonstrated against a backdrop of rising unemployment and economic gloom.

The Hindu, 2 May, 2009
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India. This allowed spreading of FDI hold over companies in India and so the outflows initially did not appear to be less than what was seen in Latin American countries. Yet, according to the Economic Survey conducted by *Economic & Political Weekly* as appeared in March 11, 2000 the gross remittances owing to interest and dividend payments in 1998-99 were more than twice the FDI inflows in that year only! And the net investment outflows were nearly one and a half times the FDI inflows.

India's FDI hunger has gone up at this time of grave economic crisis. India is expecting \$40 billion of foreign direct

investment in the financial year 2009-10, even higher than the \$37.5 billion for 2008-09, despite the downturn of the global economy, FDI stood at \$27.5 billion for the financial year ended March 30, 2008 said MR. Gopal Krishna, Joint Secretary, Department of Industrial Policy and Promotion at the general meeting of the American Chamber of Commerce. [*Business Line*, 25.04.09]. This is the front-door loot by FDI. Foreign investment flows as a whole rose sharply from \$4.9 billion in 1995-96 to \$29.2 billion in 2006-07 and then more than doubled to \$61.8 billion in 2007-08. This was only possible thanks to the substantial deregulation and tax

concession measures as dictated by World Bank/IMF.

The backdoor entry of FDI giving it the seal of approval as Indian capital and lifting all regulations on them has serious implications for the Indian economy. This will pave the way for furthering re-colonization of India by imperialist capital. Already India has turned into a client state of imperialist masters, the USA in particular. The unbridled entry of FDI with the direct assistance and surrender of the government shall further push the India economy into the hands metropolitan capitalism desperately needing vast investment in a country like India.

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Continued from page 6

special para-military riot police. The protestors set fire to a hotel and to a border post and the police had to repeatedly use tear-gas to control the demonstrators. Strasbourg looked like a town under siege with thousands of protestors converging on the downtown area where the talks were being held.

Similar massive demonstrations and clashes took place at the G-20 meeting in London and as already reported in Thailand. Once again the captains of capital are finding it difficult to assemble.

The March 27 issue of Frontline reported on Bangladesh revolt thus: *The trouble began at the darbar hall of the BDR headquarters in Dhaka's densely populated Pikhana area where senior officers, numbering about 150, led by BDR Deputy Director General Major General Sakhil Ahmed and a few thousand low-ranking jawans of the paramilitary force were attending an annual conference. In the midst of a heated argument over pay a few hundred heavily armed rebels, who are said to have come from outside,*

surrounded the officers and fired indiscriminately killing their officers joined by most of the lower ranking soldiers at the headquarters the armed rebels quickly took control of the headquarters. The mutiny continued for 33 hours and their demands included: rampant corruption by officers, long-pending grievances over pay, welfare and benefits and the most prominent issue was the "army control" over the paramilitary force. According to the army only 33 officers out of the 150 survived. Several mass graves were excavated from the grounds of the headquarters and bodies were taken out of the sewers. Incident took place on Feb 25th. BDR troops in the districts had also sided with their comrades in Dhaka. Reports said that hundreds of BDR jawans had fled their headquarters in disguise as the police began arresting many others and handing them over to the army.

Soon after this, in the first week of April, a minor revolt was reported in the India army, when, in the first week of April

hundreds Military Engineering Services (MES) personnel (5,000) went on strike. They had not yet received their pay for the time they were posted to the Indo-Pak border during Operation Parakram in 2001 in the wake of the supposed attack on Parliament. Converging from Punjab, Haryana and Himachal Pradesh they raised slogans against the army authorities at the Western Command, Panchakulla (Chandigarh) alleging shabby treatment by the army establishment.

Such is the type of discontent brewing throughout the world. But while the mass movements are huge and even militant, the communist/Maoist element continues to be very weak. Without the development of the conscious element it is not possible to defeat the capitalist system and build the socialist alternative. However deep the crisis and it is likely to be as deep as in the 1930s, unless there is an organized force to fight it, it will not collapse. The time is ripe for the genuine communist forces to make major advance worldwide.

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THE FINANCIAL CRISIS: HOW IT IS AFFECTING WOMEN WORLDWIDE

(Downloaded from the internet)

From March 8th 2009, the entire world is celebrating the Centenary Year of International Women's Day. This centenary has come amidst the worst ever economic crisis since World War II. IWD has always been commemorated as a day of struggle of women the world over for their emancipation and liberation from oppression and exploitation. Quite naturally this centenary year will be commemorated by the women's struggle against the horrifying impact that the present crisis of imperialism will have on women. It's with the intention of helping focus the forthcoming celebrations we are reproducing below an article from the internet which throws some light on the impact of the crisis on women worldwide. Of course in backward countries like India women face the added burden of the worst forms of feudal patriarchal oppression like the so-called dowry deaths, female infanticide, wife-beating, confinement of women to their homes, *purdha* and *burkha*, etc. Women in India will no doubt continue their focus on these issues as well.

FROM World Bank President Robert Zoellick to heads of state at the recent UN General Assembly meeting in New York, many leaders have sounded the alarm in recent weeks about the impact the financial crisis is likely to have on the developing world. As the overall global economy contracts, the effects are most likely to be felt by the poorest worldwide.

One angle that's often missed: the hardest hit by definition are likely to be women, who form the vast majority of the poor, who are the key investment to ending poverty and who have been making unprecedented economic gains in the past decade. Here's how the crisis is likely to affect women:

Economic contraction in the developed world means fewer jobs in manufacturing in the developing world: which affects women.

Africa's exports have jumped by about \$240 billion since 2002 — eight times the \$28 billion Africa received in development aid, humanitarian assistance, and debt relief from wealthy countries last year, and 15 times the annual remittances from the 16 million Africans working abroad in Europe, the Persian Gulf, and the United States. Falling orders from retailers this Christmas season means these exports will start to fall. While it's still early, there's already some evidence that this has started to happen. Exports from the Asia, for example, have begun to fall in the last two to three months.

Many jobs in the developing world were created for women to take advantage of cheap labor, making these jobs particularly insecure. The example of the

African textile industry illustrates this — the sector has provided for a great deal of new jobs for women in Africa — over 100,000 new jobs in the export apparel sector, including 45,000 jobs in Swaziland, 26,000 jobs in Lesotho, and 30,000 jobs in Kenya — 75 to 90% of these jobs have gone to women living in the most dire poverty. These jobs are by no means sustainable in a crisis. During the Asian Financial Crisis, for example, the bulk of women worked in industries like textiles, food processing, and electronics — industries that are sensitive to the export market and were easily undercut by the economic crisis.

Women are mostly likely to have jobs in the informal sectors of the economy with virtually no job security: and are the first to get laid off. Even when they have jobs within the formal sector, women are disproportionately affected by global financial problems. They are more likely to be unskilled in comparison to their male counterparts in factories and are then more likely to be made redundant first.

Access to Credit and Finance

Micro-credit in the last decade has made huge inroads in allowing the poorest women to have access to small loans, and several major banks had begun to provide these services also. It is too early to tell what the impact of the global credit freeze will be on the industry, but it's safe to assume that small unsecured loans will be under as much threat as other credit, if not more. Unlike other borrowers, women have few other sources of financing.

Remittances from country nationals who are immigrants in developed nations

is a major source of household income in many developing countries, especially in Latin America and Africa. One of the most likely indirect effects of the crisis on developing countries is the likely decline in remittances to African countries as unemployment rises in North America, Europe and other places. Remittances to Latin America have already slowed this year, according to the Inter American Development Bank. (<http://www.washingtonpost.com/wp-dyn/content/article/2008/09/30/AR2008093002579.html>). This means women will have less money to run their households than before.

Exacerbating the Food Crisis

Most developing countries this year are still battling high inflation and high prices for basic foods, a story that was in the news earlier this year when there were food riots in some countries. Women, as the major producers of food and as providers for the household, are at the epicentre of this crisis. The economic slowdown will exacerbate this, and some experts worry it could delay large-scale agriculture and infrastructure projects which are needed as part of the long term solution to the problem. The crisis could also impact food aid, along with other forms of aid (see below).

"I think this global financial challenge could impact our ability to deal with the food crisis ... and whether we can put measures in place to alleviate the current suffering," said Abdoulie Janneh, executive secretary of the U.N.'s Economic Commission for Africa. The typical African farmer is a woman — in sub-Saharan Africa, women produce up to 80% of basic

foodstuffs both for household consumption and for sale.

This will have a huge impact as, according to the World Bank, “70 percent of all Africans – and nearly 90 percent of their poor – work primarily in agriculture.

Effect on Governments and Donor Agencies

As developed governments set aside huge budgets to cover their billion-dollar rescue packages, there is an assumption they will slow or cut their reduce foreign aid programs. Private humanitarian groups,

facing a drop in donations, might have to do the same.

According to the World Bank, the United States ranks relatively low as a foreign-aid donor relative to GDP, but very high for private and charitable donations. As of 2005, U.S. aid programs accounted for about a quarter of rich-world aid, but private American charities provided \$8.6 billion of the rich world’s total \$14.7 billion in private donations.

Some experts worry that the crisis could delay large-scale agriculture and infrastructure projects and could even

threaten social programs to improve health, education and sanitation.

At last week’s World Bank-IMF Annual meeting, World Bank President Robert Zoellick’s and IMF Managing Director Dominique Strauss-Kahn noted that impoverished countries, through no fault of their own, were in danger of being penalized doubly by the crisis as they find it harder to get foreign funding, while their exports lose value as highly strapped world demand for their goods continues to plummet due to the global decline.

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FORWARD BLOCK’S WEST BENGAL SECRETARY UNMASKS BUDDHADEB, THE VILLAIN

DROPPING a virtual bombshell just before the Loksabha elections, Mr. Ashok Ghosh, the secretary of West Bengal unit of the Forward Block, unwittingly disclosed at a meet-the-press programme on 20 April ‘09 that it was none but the Chief Minister cum Polit Bureau member of the CPI (M), who ordered the police to fire on Nandigram villagers on 14th March, killing at least 14 people. Nandigram has become the buzzword for heroic resistance against forcible occupation of a vast stretch of land for the construction of a Chemical Hub. Mr. Ghosh said that he has asked in a Left Front meeting the day after the massacre “at whose orders the police had fired and the Chief Minister had stood up to say that it was at his express orders that triggers had been pulled.” [*The Statesman*, 21 April, ‘09]. This disclosure once again gives the lie to what the CM and the CPI (M) have so long been denying. Mr. Buddhadeb had taken refuge under falsehood soon after the Nandigram massacre and the mass-scale protests

saying that “had I known that they (police) would open fire, I wouldn’t have sent them at all”. But soon after, Mr. Prasad Roy, the Home Secretary, who had been in the eye of political storm that the firing kicked up, was on record saying “the firing wasn’t without the Chief Minister’s knowledge.” This was soon paid by Mr. Roy as Allimuddin Street Mandarins got him transferred elsewhere. The CPI (M) Chief Minister not only resorted to the fascist way of killing people, many of them were women, burning hundreds of huts and setting the mercenary lumpen force against the protesters, he later justified the ‘capture’ of Nandigram by the CPI (M) goon hordes aided by the police saying on record “They have paid them in their own coin”. A pathological liar, Mr. Buddhadeb Bhattacharjee time and again denied what he had committed to implement World Bank/IMF dictated reforms. On this occasion too a rattled Buddhadeb soon after the Ghosh disclosure told the media that he was ignorant of the firing orders.

The CPI (M) supremo in West Bengal, Mr. Biman Bose forced Mr. Ashok Ghosh to do the necessary damage control and the same Mr. Ghosh buckled under pressure to go on record on 23 April, ‘09 that “some of his remarks were distorted”. Curiously enough he did not specify the remarks that were distorted. [*The Statesman*, 24 April, ‘09].

The Ghosh disclosure contains nothing new as the world knows it too well that without the orders of the Home minister (Buddhadeb holds that portfolio too) such deliberate killing could not take place when the struggle was on in Nandigram. In Naxalbari too, the then same CPI (M) Home Minister, Mr. Jyoti Basu ordered the killing in May 1967 and then tried to wash his bloody hands in public in the same manner as Buddhadeb now does. A party in power in a rotten system, even with a Marxist sign board cannot act otherwise as the system wants such a party to get to act in this way.

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Continued from page 8

a year ago. Private insurers appointed 7.7 lakh agents in the year, but terminated 3.3 lakh. LIC agents in that period grew 8 percent to 11.9 lakh, according to the IRDA report. But a large number of them got sacked. Bajaj Allianz Life, ICICI Prudential Life, Kotak Life and Tata AIG Life reported a high rate of sacking of agents branding them as non-performing.

The question that naturally comes is that in whose interest the government is

so much trying to push the bill. With 26% FDI cap many private players have developed joint venture companies in India. Many of them are blacklisted in their American and European headquarters. Many giant private insurance companies have now been taken over by their respective governments. In the USA, about 200 organizations including bank and insurance, have been declared bankrupt in the past few months. Others have been forced to beg for bail-outs for

sheer existence. In such a crisis situation the eerie bid to raise the FDI cap from 27% to 49% is ominous and spells danger for the entire insurance sector in India. Undoubtedly the new government at the center after the polls will try to push the Bill through as it is in the interest of the insurance giants of America and Europe. This must be protested and opposed as part of the movement against imperialist globalization.

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'CRORES ON PROPAGANDA SHOWS RULERS DESPERATE'

Comrade Azad, spokesperson, central committee, CPI (Maoist), talks about why his party has called for an election boycott, how it plans to implement it, why a left-led Third Front government is out of question. Azad spares no one, whether it is BJP, Congress, Mayawati or Prakash Karat, calling them opportunists.

This is one of the biggest elections with about a billion voters participating. Don't you see it as people's growing faith in parliamentary democracy?

Certainly not. Every day media, governments and all contesting parties are dinning into the ears of people to exercise their vote. This shows the desperation of the ruling classes. Crores are being spent on propaganda alone. They are so scared that they cannot imagine allowing voters the minimum democratic right to reject parties and candidate contesting the elections.

You have called for poll boycott. But involvement of people in polls seems to be growing.

There is neither any interest nor involvement of people in the election. Even the narrow base of some parties has taken a beating this time. Contrary to images you see on TV, the involvement of people has declined compared to earlier elections. Hence, the desperate attempt by rulers to rope in film stars cricketers etc into publicity campaigns.

Left parties are trying for a non-BJP, non-Congress alternative. What is your view?

The Third Front forged by CPI-CPM as a secular front is a congregation of

self-seeking discredited opportunists, all of whom have proved to be hypocrites. Who needs to be told about the infamous history of a Chandrababu Naidu, a Jayalalitha, a Mayawati, a Deve Gowda, a Naveen Patnaik? They, who had, at one time or other, shared power with the Hindu chauvinist BJP, are being given secular-democratic image by the Left.

The Karats, Yechuris and other power brokers of so-called Left had churned out the slogan of anti-communalism to justify their alignment with the most loyal agent of imperialists, Congress, in 2004. Now, these opportunists see anti-communalism in TDP, BSP, AIADMK, JD (U) and BJD, all of whom had never really demarcated themselves from communal BJP.

Why do you say that?

Just see. They found secularism, and anti-imperialism and democratic moorings among parties like TDP, which under Naidu was the first to transform a state into a laboratory of the World Bank and is responsible for the murder of over 2000 Maoist revolutionaries. Jayalalitha's AIADMK was infamous for the scale of corruption, abuse of power; BJD sold

the state to imperialists and massacred adivasis in Kalinga Nagar, POSCO, etc, besides protecting saffron hoodlums in persecuting Christians. JD (S) shared power with BJP and broke with it only when the latter wanted a greater share of power. Mayawati will do any thing to grab power whether it be power-sharing with BJP, or striking an alliance with Brahmins and subordinating Dalits to upper-caste Hindus.

How will you take your boycott campaign to the people?

Our stand was made clear to people through circulars, press statements, interviews, leaflets, posters and wall writings. Cultural teams stage performances among the people. It includes questioning candidates and party members, *gheraoing* them, making them confess their misdeeds before people. Then there is active boycott. We prevent candidates from campaigning in our areas. We warn them, when they do not heed, we beat them up if they are notorious elements, conduct people's courts where possible and make them confess to their misdeeds. They are let off after they agree not to return.

...*The Times of India*, May 2, 2009

WE WANT A SUSTAINABLE DEVELOPMENT PATH AND INCLUSIVE GROWTH TRAJECTORY THAT WON'T DIVEST THE POOR FROM THE FRUITS OF THEIR LABOR

[Interview given by comrade Bimal, Politburo member of the CPI (Maoist) to correspondents from the daily, *The Times of India*.]

You are one of the most wanted persons of the country. Even Left Front Chairman Biman Bose announced months ago that you have entered Bangal from Jharkhand. What made you come here?

(Smiles) I am not new to this terrain. I first came to Bengal from Dandakaranya in 1995. I have been to the villages in Lalgarh in West Midnapore in 1998. The Bengal-Jharkhand-Orissa (BJO) border zone, as well as North Bengal, has been our priority. North Bengal — which would give us access to the North-East, Bangladesh and Bhutan. But we chose the BJO because that is part of a

contiguous forest cover spread over Andhra Pradesh, Chhattisgarh, Orissa, Bengal and Bihar. I joined politics in my student days in Karimnagar College, North Telengans, from where I did my graduation in mathematics. Kondapelli Sitaramaiah was our political guru. We took military training from the LTTE in 1981. Today our party has an uninterrupted presence in this 800-km corridor up to Bangriposi in Orissa, except of short patch of 30 km.

West Bengal has been a traditional Left bastion for decades. What made you concentrate on this state?

Bankura, Purulia and West Midnapore are three of the most backward districts of the state. Our organizers have been working in these areas since long. We have some organizers in Mayurbhanj and East Singhbhum as well. What I find unique in Bengal is the hegemony of political parties. True, there are no big landlords here as in Andhra Pradesh. But here political leaders have turned oppressors. Earlier, it was the Congress, and now it is the CPM. Power-hungry CPM leaders — some of them even coming from *Dalit* or poverty-stricken families —

are now disowning their roots. They have become lackeys of the state machinery and are controlling everything from business to social institutions. They are social fascists. Asim Mondal, who was killed in Bhulabhedra, was a CPM leader-cum-timber trader. He used to decide prices of kendu leaf and was also raising a force against us. It's the same with others. The villages and villagers' lives are under their control. We warn them to mend their ways and only after extreme provocation do we pull the trigger. Unfortunately, their daily misdeeds and acts of repression are not reported by the media. It is only when they are killed that the news get highlighted. CPM leaders such as Dipak Sarkar (West Midnapore CPM district secretary), Lakshman Seth, MP from Tamluk and Anuj Pandey, CPM zonal secretary have turned tormentors. They want to have the area under their control. People are scared of them. Men like these and their henchmen are our targets. Worse, they have lost the political courage to win hearts. Instead, they come with the police and torture the villagers in the dead of the night. They have recently formed a Ganatantra Suraksha Samiti, and police distribute their posters. How else do you expect us to challenge CPM leaders who are armed to the teeth? They are a counter-revolutionary force and have to be politically exposed.

While creating your bases in these areas, your party had come to the aid of the CPM in 2000 and then went with the Opposition. How do you reconcile this role reversal?

Yes, we joined the CPM ranks to fight the Trinamool-BJP offensive in Keshpur. That was in May 2000, when the Trinamool chief announced that Keshpur would be CPM's graveyard. Armed men were setting the huts of the poor villagers on fire. We sided with the poor. I distinctly remember that I collected 5,000 cartridges from the CPM party office. CPM leader and Minister Susanta Ghosh would have been nowhere today, had we not been with them. But the CPM atrocities in Suchpur, Nanoor in Birbhum and Chhoto Angaria and Garbeta in West Midnapore did not lose our sight. We started working among the poor, voiced against corruption in the panchayats and started mobilizing the poor on social issues. We did not kill any CPM activist till 2000. It was only when CPM came to grips with the situation in 2001 and began targeting our men that we struck back. Finally, when

Nandigram villagers rose against the State's land grab move, we took on the CPM's armed brigade. This time, Trinamool supplied us the ammunition. We kept up with the resistance along with Trinamool ranks for months after the Nandigram carnage. During the final assault in November, we ran out of stocks and had to beat a retreat. The CPM men captured 300 of the local militia, and literally treated them as slaves like war prisoners with their hands tied behind.

Even if one were to accept your logic of summary punishment, how do you justify the killings of low-rung party men who come from the poor families?

In most cases, killings have happened after all means of persuasion and reasoning failed. What may appear to you as a simple low-rung CPM leader is actually his mask that outsiders get to see. But believe me, we check many times in our committees, trying to gauge the people's pulse before taking any such final action. But yes, there have been mistakes. In 20% of the cases, there could have been more persuasive attempts. In 50% cases, we could have campaigned better, politically. The blast that killed the medical team was clearly a mistake. A rectification process is currently on in the party and we hope to emerge as an outfit that takes more judicious decisions.

What about the landmine blast that targeted the CPM's convoy in November?

Till the Nandigram carnage, Buddhadeb Bhattacharjee was not on our hit list. The villagers of Nandigram were fighting CPM politically when the massacre was ordered by the CM. That changed everything. Now, he is our target. So are CPM strongman and MP Lakshman Seth, West Midnapore district secretary Dipak Sarkar, zonal party leader Anuj Pandey...

The Maoists are also seen as anti-industry. The perception about the outfit, particularly in cities, is that it will not allow industrialization. How can class struggle happen sans the working class?

We are not against industry. But we are opposed to the neo-liberal policies pursued by the Buddhadeb Bhattacharjee government. The neo-liberal bubble has burst. The deviated Marxists (CPM) are only giving lip service to it and at the same time are looking at options to come to post-poll adjustment with the Congress. The CPM government is pursuing the industrial

projects dumped by advanced capitalist countries. People all over the world are rising against the most polluting sponge iron units, construction of big dams, chemical hubs that affect the environment. Even the proposed car factory in Singur is to create an assembly line and has low direct employment potential. Tell me, how do these projects help the sons of the soil? These are projects advocated by the IMF and the World Bank and the CPM government is trying to implement them. We will oppose Nayachar because a chemical hub will destroy the livelihood of 2.5 lakh fishermen. No developed country sets up chemical hubs now. Why should we? We will oppose Buddhadeb Bhattacharjee's dream project in Nayachar, the steel project in Salboni. As for Singur, industry will not happen there. The land was forcibly acquired from farmers. We will take over the acquired land, if the locals want it and return it to the tillers. But if the government chooses to usurp the rights of the poor and forest dwellers, we can't but resist the move. We are waiting for the response from the Opposition — Trinamool and Congress. Instead, we want a sustainable development path and inclusive growth trajectory that won't divest the poor from their fruits of labour.

But how can you distribute government-acquired land when the law says to the contrary?

I don't care what the law says. Has the law come of any help in booking the culprits who burnt men alive in Chhoto Angaria? Let law take its course, we will have our own if people want it.

There are allegation that you party has been extorting businessmen and salaried persons and terrorizing villagers.

This is far from truth. Our leaders lead a simple life. On the contrary, we have been resisting efforts by contractors to plunder the forest wealth. Why should we fleece common people? If we need money, we will loot banks and collect the arms from the state armory. This is no secret. Our party has a written resolution on this. At times, some of the government officers have tried to lure some of our supporters with contracts. In such cases, we have pointed it out to them in presence of their guardians, who are also our supporters and asked them to fall in line.

{ *The Times of India*, April 27, 2009 }

A SIGNIFICANT STEP TOWARDS THE JOINT ANTI-IMPERIALIST STRUGGLE IN THE BALKANS AND THE EASTERN MEDITERRANEAN REGION!

Communist Party of Greece (Marxist-Leninist) statement for the Anti-Imperialist Conference in Thessaloniki, 21-22/3/2009

THE International Anti-Imperialist Conference was held with success, on 21-22/3/2009 in Thessaloniki on the occasion of the tenth anniversary since the NATO/imperialist intervention in the former Yugoslavia, organized by the Communist Party of Greece (marxist-leninist). In this conference, communist parties and organizations from the Balkans and the Eastern Mediterranean region were invited and participated with their delegations: **New Communist Party of Romania, magazine "Partisan" from Turkey, Popular Front for the Liberation of Palestine, the Bulgarian Workers-Peasant Party, Bulgarian Workers' Party (Communists), Bulgarian Workers Union' Association, Bulgarian Workers Marxist movement and the Socialist Party of Cyprus.** The Italian philosopher **Constanzo Preve** also participated. The conference was supported by the **International League of Peoples Struggle (ILPS)**. Manolis Arkolakis, ILPS vice chair and responsible for external affairs participated and greeted the conference on behalf of ILPS. The delegations or **the Left Radical of Afghanistan** and the **Committees of Support Resistance - for Communism (CARC)** from Italy, due to technical problems and despite their will, did not attend but they have sent their contributions which were distributed to the participants-delegates of the conference.

During the open debate that took place

in the Polytechnic Campus of Thessaloniki, on Saturday 21/3/2009 besides the participant delegations, conveyed their messages of solidarity the delegations of: **Committee Against Foreign Bases and Dependence from Chania-Crete, the Anti-War, Anti-imperialist Committee of Karditsa, the Militant Movements of Students, Greece. The Communist Party of Australia (Marxist-Leninist), the Revolutionary-Communist Youth League from Austria, ATIK and New Democratic Youth from Turkey** also conveyed their messages of solidarity to the conference. The main contribution in the open debate on behalf of **CPG (m-l)** was made by the General Secretary **com. Vasilis Samaras**.

In the multilateral and bilateral meetings of the delegations that took place during the two days of the meeting there was an exchange of views on the international situation, the imperialists' policies across the world and more particularly in the Balkans and the Eastern Mediterranean Region and they examined ways and political aspects to consolidate the coordination and the joint anti-imperialist struggle and solidarity. More particularly they discussed and exchanged their views on the situation in the occupied Palestine and the heroic resistance of the Palestinian People in Gaza Strip and the West Bank and they stressed the need to consolidate the international solidarity to resistance.

The situation in Cyprus was also

discussed particularly and there was a thorough exchange of experience and views for the situation in the Balkan countries and the level of the anti-war and anti-imperialist struggle. All delegates noted the important absence of delegates from the countries of former Yugoslavia and stressed the need to increase the effort to expand contacts and meetings towards a more multilateral cooperation and coordination.

There were also suggestions on multilateral initiatives of joint talks and activities, in a period of increased danger for peace in the region due to the imperialist aggression. This aggression is expressed by the rapid increase of the military presence of NATO/US military forces and bases in the Balkans. The significance of such and similar joint meetings was also stressed as well as the need to continue in the future. The delegates saluted the mass anti-NATO initiatives and demonstrations that take place these days in Europe for the summit of this criminal, warlike alliance. They also denounced the plans of the NATO Eastern expansion. There was also a proposal for a joint resolution that will be published after the necessary elaboration soon. All contributions have been published in http://www.kkempl.gr/english/int_meeting/index_10th.html

Revolutionary Greetings

Athens 31/3/2009

Communist Party of Greece

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ANNOUNCEMENT OF THE COMMUNIST PARTY OF GREECE (MARXIST-LENINIST) INTERNATIONAL BUREAU

THE brutal murder of the 15-year-old Alexis Gregoropoulos, on Saturday December 6, in the centre of Athens by a policeman who cold-bloodedly shot him, was the fatal result of the Greek governments' policy that in the last years has strengthened state terror against the people's, working and youth movement (high school students, university students and unemployed young people) as well as against immigrants. The absolute

responsibility belongs to the current right-wing government and the previous social democratic, that both encouraged the murderous police troops and riot police forces to shoot, beat and arrest demonstrators, strikers, young people and immigrants while they made a callous legislative frame of terror laws and orders, and at the same time left the killers in previous similar cases go unpunished.

The uprising of the Greek youth and a

large part of the workers and the Greek people, the mass protest of thousands of people that erupted across the country, the taking-over of high schools and universities that are in progress, the attacks against government buildings and police stations are the justified demonstration of rage that exists in broad parts of society and youth due to the tough economic policy which is in favor of multinationals, big capital, bankers and the European

Union. The murder of young Alexis was the spark that started the fire and the materials of this fire that doesn't end are unemployment, indigence and despair that large parts of the workers and youth are facing. The results of the capitalist economic crisis and the government and EU policies are the real reasons for the eruption of the Greek youth and people.

Once again the stance of both official parties of the formal reformist Left was at least problematic. The so called KKE [CPG] tried to appease and slander the youth's struggle, SYN-SYRIZA [Left Alliance] tried to manipulate and channel the demonstrations for its own ambitions (future collaboration in government with the

social-democrats), while the leaderships of both parties hurried to meet the prime minister when he invited them to his office. Both parties are trying to incorporate the popular rage within the parliamentary electoral process and defuse the movement that erupted.

Communist Party of Greece (marxist-leninist) [KKE(m-l)] as well as other left organizations, the Militant Movement of Students and other front organizations participated actively from the very start in the protest that took place in numerous Greek cities, in the taking-over of universities and the mobilization of high school students. We fight for the continuance and escalation of the struggle

and the success of its goals against the government and its policy.

LONG LIVE THE UPRISING OF THE GREEK YOUTH!

DOWN WITH THE KILLERS AND THE POLICY OF POVERTY AND UNEMPLOYMENT!

LONG LIVE INTERNATIONAL SOLIDARITY!

Athens 12/12/08

<http://www.kkempl.gr/english/english.htm>

<http://cpgm1-news.blogspot.com>

e-mail: cpgm1@kkempl.gr

RESPECTFUL HOMAGE TO VETERAN MAOIST COMRADE NIRANJAN BOSE!

COMRADE Niranjan Bose, the oldest in the Maoist ranks in West Bengal, died at the age of 92 years on 26th April '09 in Kolkata. Till his last breath he held high the banner of revolutionary Marxism and had consistently engaged himself in a significant way to further the cause of Indian revolution. This nonagenarian revolutionary started his political career in the early 1940s, at first as a Congress activist and then courted Marxism and became a member of the United CPI of the then undivided Bengal. Comrade Bose played a significant role in bringing out the CPI's Bengali daily *Swadhinata* in the 50s. He was sent to prison on several occasions. When the CPI split in 1963 he sided with the left leaning comrades and joined the CPI (M). In the West Bengal unit of the CPI (M), comrades Niranjan Bose, Saroj Dutta, Shusital Roychowdhry et al had a pioneering role in bringing out the Bengali weekly named *Deshhitasee*. All of them, the followers of Maoist leadership against Khruscevite revisionism, revolted against the CPI (M)'s neo-revisionist leadership. When West Bengal's United Front government

went on a massacre spree in Naxalbari, killing mostly tribal fighters, not even sparing women and children, comrade Niranjan Bose, a dedicated communist, took upon himself the important responsibilities with regard to the publication of *Deshabrati* (Bengali) and Liberation. After the raid on the *Deshabrati* office in Kolkata and arrest of important comrades of the CPI (ML) publication team by police, comrade Niranjan Bose went underground. He played a stellar role in bringing out the CPI (ML) journals from underground in the early 1970s. Even after comrade Charu Majumdar's arrest on 16 July and then martyrdom on 28th July 1972, comrade Bose continued his political activities from underground in a state of acute political crisis when the Congress-led fascist forces aided by the police machinery broke loose hell in West Bengal. Comrade Bose was among the very few revolutionary communist leaders who could successfully outwit the police department hotly chasing to capture him dead or alive. After 1977, comrade Bose came in to the open and started hectic activities to reunite the Party. When the

erstwhile CPI (ML) [PW] started organizing the revolutionary masses in Bengal in early 1990s, comrade Niranjan Bose immediately joined the rising armed struggle. Old age, frail health and hostile fascist atmosphere created by his erstwhile colleagues in the CPI and the CPI (M) in the name of 'Left Front Rule' could not deter this veteran communist fighter to be a part of the on-going struggle facing brutal repression. Four years back, police forces fell on his house, arrested him and within days set him free when roars of massive protest unnerved the 'Left Front' leaders. Comrade Bose dreamt a revolutionary dream and worked day and night to fulfill all the responsibilities bestowed on him by his beloved party, the CPI (Maoist) till he breathed his last. We pay our respectful to the memory of this great Maoist revolutionary who worked for more than six decades in the service of the oppressed masses of the country and who fought valiantly all throughout his life to achieve his beloved cause, the emancipation of the oppressed masses of the country.

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'ELECTIONS' SHOW DISGUST FOR THE BOURGEOISIE POLITICIANS AND THE SO-CALLED DEMOCRACY

AS the third phase of polling gets over the main news is the lack of interest in voting and the disgust displayed by the masses for the political system. In Mumbai as much as 59% stayed away from voting. In UP barely 45% voted. In Kashmir the voter turnout was a mere 20%. In the earlier phases the voter turnout was not much different. In the first phase which was held in most of the naxalite areas the boycott of the elections by the Maoists made major news and was even more widely covered than the elections itself. Not only the people in the Maoist area but reports came in from almost all corners of the country of people of whole areas boycotting the polls over their local demands or going to the booth and registering their non-voting. Not even all the lure of money, muscle power, caste and religious equations could get people to the ballot box. The high percentages polling shown to have taken place in some Maoist areas were due to pre-planned rigging. In Mumbai, slum-dwellers reported that the one month before the elections was a boon for them – Rs.100 to attend a political rally, Rs.100 a day to sit at a *pandal*, Rs.500 to oversee an election booth, etc. Never can ordinary slum-dweller earn so much, yet Dharavi (reportedly the biggest slum in Asia) recorded barely 38% voting.

What was astounding was that such a low voter turnout happened in spite of a massive propaganda blitz calling on people to vote. Such a high profile campaign was never conducted on this scale roping in NGOs, business houses, media barons, film stars and cricketers. In fact on the date of the third round of voting the *Times of India* and other leading daily carried a front page letter by the editor in bold to call on the people to vote. Also on voting day the parties provided free auto rides and numerous other incentives to vote for them. Even religious bodies, especially of the minorities were roped in to issue edicts to their followers to vote. The Darul Uloom Deoband issued a *fatwa* directing

the Muslims to vote and apex bodies of various Christian churches also called upon their followers to vote. Yet in spite of all this there was a miserable turnout.

This enraged most of the parties and the Shiv Sena and BJP riled against the people of the country for staying away and demanded in fascist style that voting be made compulsory. Instead of looking at themselves and their false promises and corrupt means they put the blame on the masses. This will anger the masses even more.

The fact of the matter is that none of the parliamentary parties had any agenda for the people. What in the campaign did they have for the rural populace that has been facing excruciating poverty with suicides increasing by the day? What do they have for the lakhs and lakhs being thrown out of jobs due to the present crisis? What do they have for the middle classes that are facing more and more insecurities? All parties have no other actual policy but only promote the money bags and further open the doors for imperialist loot. The very cause of the crisis and the massive job losses is because they have tied the Indian economy more and more to the chariot wheels of the imperialists, particularly the US. And now the crisis in those countries is only deepening affecting the people of India. But in this situation while the people suffer through job losses big business continues with its increasing profits as indicated by the last quarter results.

Besides, today it has become very clear as candidates from all the parties even in their declared assets (forget the huge black money they all have) are crorepatists (billionaires) who have made their wealth through milking the state and serving big-business in Satyam style. And people are no fools, they knew well that all these billionaire contestants are in the race only to further enrich themselves and the people's will not change by voting one or the other. Their apathy for this system is growing day by day resulting in the

continual decrease in the percentage of votes polled. As and when the people at large gain more knowledge about the alternate people's democracy emerging in the Dandakaranya- Bihar – Jharkhand areas they are sure to take that path – The path of a true participatory people's democracy.

The entire media went out of its way to propagate that the Maoists are threatening the people to impose their poll boycott call. This is the same old vilification campaign the media has been running at the behest of the ruling classes at every election time for decades. Strange as it may seem to any honest citizen, the media all over these years could not present a single person who was punished by the Maoists solely for voting in the elections! The purpose of the boycott call given by the Maoists is to make people understand that what is taking place is not a real democracy but a fake democracy. And that what they need to do is to fight for a real democracy – a new democratic society- a government structure of the type that exists in embryonic form in Dandakaranya. Besides the people in most parts of the country do not require much convincing as they can see the criminals who stand for elections with their pockets full of black money.

In the Dandakaranya area the people themselves run their own affairs practicing the truest form of people's democracy and the *Janatana Sarkars* (organs of people's political power) elected at *gram sabhas* (village general body meeting). This is the real democracy that all in the country should support and help build. The people of the country have two choices – either the 'democracy' of the money bags and for the moneybags (of course in the name of the people) or genuine democracy for the people and by the people. The choice is yours!!!

May 1st 2009

Note: A detailed account of the boycott campaign will be published in the next issue of the magazine. P.T

Stand by People's Movement in Lalgarh! If Necessary 'Sarjam Girou' Shall Remain Firmly in Place

Get Organised, Spread Far and Wide the Fire of This Santhal Rebellion!

[This is an appeal calling on the people to extend support to the Lalgarh movement]

Dear friends,

Ever since the colonial reign of the British, plunder, exploitation, torture, deprivation have continued relentlessly down to this historical period of time on the Adivasis and people of Janglekhand. No perceptibly overall change has been brought about to snap that legacy despite 62 years of independence passed into history. For the adivasis and the Janglekhand people falling victims to perennial deprivation and torture lingers on unabated. In any parts of India, whenever any movement by the adivasis or Aam Janata are built up invariably the despicable and severe measures are being taken recourse to crush them. Living examples – The movements of Manipur, Assam, Chattisgarh, the struggle of the Kamtapuris and for Gorkhaland. Besides that, the glaring examples of repressions by the rulers by means of murders with bullets, rape, loot and burning have been set up in Singur and Nandigram in West Bengal. Here, whenever the adivasis and repressed people burst into roars of protests to establish their rights, out comes repression in the similar fashion. In this free country India itself, from the very onset of launching movements for water, jungle, land and rights to language and culture of the soil i.e., for the Jharkhand movement it is the police-CPI(M) nexus that went so far as to set the villages on fire. Even now we feel shivers up and down our spine whenever the recollections of the firing incidents in Rajkarsawa, Guduria and Gua come crowding our memories. The CPI(M) led left government has resorted to ghoulishly brutal ways of repression whenever the masses of people have built up struggles for agricultural land, irrigation, better wages, against corruption in rations and with the demand for development.

Ever since the year 1998, the MCCI, CPI(ML) (PW) and later the CPI Maoist organizations have been escalating their influence in three districts viz. West Midnapur, Bankura and Purulia, police and the CPI(M) have kept up unleashing torture and repression on an increasingly intensive scale on the adivasis and innocent people. Could one imagine such specimens of torture like the rape of Behula Mahato of Laljol in Belpahari, by police; lifting the shirts up and digging into the skirts of the school going girl students in the name of checking or beating to death the old lady at Tesabandh in Lalgarh?

What kinds of torture are they when police resort to the third degree method by pouring petrol into the rectum of the arrested persons, tugging at the chord tied to penis or letting free lizards into the pants? The unending incidents of using batons, firing or transporting to jail, picking up from a field or from any place or arrests without warrant shall baffle the computer memory. Fie! On the plea of mine blast triggered to Buddhadeb's tail, at some place, search operation came to be launched in Lalgarh, in Binpur. They were not mere searches, they meant kidnapping and thrashing (battering) adivasis and innocent people at night. In the perfect style and method of kidnappers, three students were picked up on their way home while coming back from listening baul songs at Kantapahari. Awful was it that even the pregnant woman was not spared, shoving her down to the ground her husband Deepak Pratihar was hurled into the police van.

Buddhadeb government's police gave a sound beating to women adivasis like the hired goons at Chhotopeliya village under Lalgarh on November 5, at the crack of dawn at 4:30 a.m. Someone lost eye, some got their skulls cracked, some had their hands broken —then who will ensure punishment to those brute policemen? Should he not get the punishment commensurate with his crimes? Is it any disproportionate punishment to demand apology holding ears and rubbing nose on the ground? The movement has wheeled forward at the speed of a wheezing arrow centering basically on the issues of unleashing tortures on the women. The actual origin of this fire of resistance is rooted in deprivation, exploitation, repressive rule and torture meted out to the adivasis and the people of Janglekhand, that have been continuing since long past. Come forward students, youths, artists, intellectuals and democracy-loving people and stand by this movement. We the off-spring of Sidu- Kanu-Birsa Munda have never bowed down our heads and shall never do, come forward and let us consolidate the fire of resistance and hold aloft our demands.

[Historically, the Santhal people have never taken oppression mutely. At Madhupur, a village near Lalgarh, there is a statue of two Santhal leaders who mobilized a 10,000 strong warriors to rebel against the British on June 30, 1855 – now famously known as Sarjam Girou.]

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The above picture makes it abundantly clear that on the one hand West Bengal's adivasis far surpass others as Khetmajoors (agricultural laborers) and on the other hand it is this section of population that is rapidly getting displaced from agricultural activities particularly under the CPI(M) led 'Left' front rule. In other respects too like in education, use of mother tongue as medium of education, etc., they are the most exploited. The wages of Khetmajoors too are very low, and despite so much talk of uplift, a big chunk of the adivasis goes to *Namal* (low lands) as migrant labourers every year. Not only the Adivasis, but also the so-called low castes all suffers in this exploitative system. In the Lalgarh revolt the Mahatos, now recognised as OBCs, have participated in mass-scale, showing their anger at their deprivation at every stage and the prevalence of state terror on all the exploited and deprived. The bond of unity has spread to all adivasis and non-*adivasi* poor for the perpetual exploitation, backwardness, cultural deprivation and most of all the reign of terror let loose by the state.

Maoists have officially supported this mass revolt but the People's Committee against Police Atrocities is a mass based committee with live demands of the cross section of repressed people in Jangalmahal. It is true Jangalmahal is the region where the Maoists have been fighting for the cause of poor tribals, non-tribals and other common people for their rights, their development, their livelihood, and so on. From their principled stand Maoists are the only party upholding the people's grievances over years. Adivasis and other downtrodden have high respect for the Maoists. And the Maoists ranks too are comprised basically of the adivasis. But the Committee is not controlled by the Maoist party. The villagers are the decision makers, and the committee has been set up by them. On their 10-member committee in every village, 5 are men and the rest 5 women. Two persons, a man and a woman, from every village committee are part of the central coordinating committee. Every decision is being ratified by these committees. **One great contribution of the Lalgarh struggle is the emergence and crystallisation of a new democratic set-**

up for participatory democracy. With every passing day the committee went on to gain more strength. The fire of the unabated movement spread to the adjoining tribal populated districts. Many new organizations of the tribals were formed and oppressed masses in their thousands rallied, protested, put forward their own demands, and are showing solidarity with the people of Lalgarh. They protested against police atrocities in Lalgarh. In Bankura Mr. Ranjit Hembram, former *panchayat samiti sabhapati* and two zonal leaders, Mr. Ramu Duley and Mr. Tulu Hembram were struck with arrows when they were accompanying a police contingent to Nakhrapahari, to douse the flame of agitating adivasis. Migrant tribal workers in other districts came out in support and joined in the struggle of the Lalgarh people. Protests flourished in the CPI (M) strongholds too. In Kharagpur near Changuyal, a large section of CPI(M) tribal members and supporters of the youth wing DYFI participated in the road block programme on the national highway claiming "they are adivasis first then CPI(M)". The student wing of the Kurmis, Chhatra Kurmi Sangram Committee made a common cause against police atrocities, brought out a motorbike procession of 100 persons to boost the confidence of the villagers against the ruling CPI(M)'s notorious motorbike brigade. Terrified by the intensity of the movement reaching out to newer zones and even making inroads into the strongholds of their party, Mr. Biman Bose, the state secretary of the CPI(M) branded the movement as a secessionist flare-up to separate the tribal-belt of West Bengal and merge it with the neighbouring state of Jharkhand.

The ruthless ruling CPI (M) resorted to barbaric violence similar to the one it used in Nandigram and unleashed a reign of terror in a vain bid to tame the tide of adivasi uprising. It let loose its armed goons hailing from other places, to recapture its lost ground with the help of police in the revolting Jangalmahal area. Over the last few months, West Midnapore, Purulia and Bankura districts have seen the emergence of local and imported CPI (M) vigilante groups called *harmad bahini*. Mostly in civilian clothes, sometimes in army gear, the *harmad* drive

around in motorbikes, cars and trucks sporting CPI (M) flags, use firearms freely. On 4 December, the Chief Minister of West Bengal Buddhadeb Bhattacharya held out a threat in the state legislative assembly: "It is the foremost political task right at this moment to isolate the Maoists from the Adivasi people". (*Ganasakti*, 5.12.08). And in a desperate bid to sever the bond between the exploited adivasis and other sections of downtrodden masses and the Maoists, the CPI (M) could not keep its faith solely on the CRPF, STRACO, paramilitary and the state police forces. 50 truck-loads of hired CPI (M) goons and police informers – *harmad* gangs- were brought to Jangalmahal from Gorbeta, Cheruah, Jamtala, etc. in disguise of common villagers. The gun toting ruffians swung into action along with the marauding motorbike brigade to terrorise the people of Jangalmahal. They forcibly went on to clear off the road blockades holding out threats to the people, so as to crush their just democratic movement against state repression. After the Singur and Nandigram incidents the CPI (M) party's gangsterism is widely known to the citizens of Bengal and of India as well. The 'Left' Bengal government has taken up the lines of the notorious and despicable 'Salwa Judum' of Chhattisgarh by trying to pit a section of tribals against the vast majority of struggling tribals. The CPI(M) formed 'Pratirodh Bahini' in tribal inhabited villages by floating and working under the apparently innocuous banner of 'Ganapratirodh Committee' (People's Resistance Committee) and Adivasi o An-Adivasi Aikya Committee (Adivasi and non-Adivasi Unity Committee) with the help of the Jharkhand Mukti Morcha. (Incidentally only a few weeks back, Mr. Sibusoren, the chief of JMM was blamed by Bengal's CPI (M) state secretary Mr. Biman Bose as having alliance with the tribal movement and that he was instigating the flare-up). The CPI (M) put up a few pro-CPI (M) tribal figures at the forefront to show that the whole armed onslaught on the resistance movement as a tribal retaliation. The CPI(M)'s notorious leaders like Dipak Sarkar, Bijay Pal, Satyen Maity and others remained the masterminds of the whole operation to crush the struggling people. After the victory in the non-*adivasi* dominated

Jhargram municipal polls, the emboldened CPI (M) got its machinery geared up to get a toehold in Jangalmahal. The CPI (M) hatched up a well-calculated conspiracy sitting in its Allimudin Street headquarters, and roped in "Disham Majhi" of Majhi Madwa Juan Gaonta organisation by hoodwinking the Majhis and Madwas to wield their social power in order to stem the tide of tribal insurgency. They arranged a big gathering at Bhulabheda roping in people of different places on December 8, 2008 and tried to put it up as a spontaneous out pouring on the part of the Lalgarh people against the ongoing struggle. Ridiculously enough, the CPI(M)'s weekly mouthpiece *People's Democracy's* Mr. B Prashant, in his piece of writing, as a vainglorious attempt unwittingly acknowledged that it was a CPI(M)- led meeting "Thousands upon thousands of adivasis.....all united under the CPI(M)....." But the tribals

and the non-tribals of Jangalmahal could realize the evil design of the CPI (M) and showed their backs on the much-hyped next meeting on 18 December at Chakadoba. But the fascist CPI (M)'s move to capture Jangalmahal with the help of police forces working hand in hand with the CPI (M) armed goons is being resisted defiantly by the people all over Jangalmahal. Wherever the road blockades were cleared, those were again put up. The CPI (M) party office in Belatikuri village in Lalgarh was burnt down by the agitating adivasis in retaliation to the attempts of the CPI (M) to clear up barricaded roads. On February 2, 2009, a PCPA meeting was held at Khas jungle attended by hundreds of people. When the police tried to enter, the people resisted. Within five minutes the *harmad* drove up in six jeeps and opened fire on the people, killing three. The people retaliated and burnt three of the jeeps of the goon gangs. After all these

incidents CPI(M) armed gangs are regularly organizing attacks on the villages of Jangalmahal in a desperate bid to gain control over the area before the Loksabha elections. On 26 February, 2009 The Madhupur village of Salboni was attacked by 150 CPI (M) miscreants. Villages under the Lalgarh area are under unremitting armed attacks by CPI (M) goons, but the brave resistance put up by the tribals makes it difficult for the CPI (M) to destroy their unity. The movement of tribals and non-tribals under the banner of People's Committee is continuing uninterruptedly in face of this onslaught. The ongoing horror of the murderous *harmad* gangs launching attacks on the people in tandem with the police forces and the people's heroic resistance was well captured and graphically detailed in an eye witness account by a correspondent of the national weekly, *Tehelka* in a report published in its 25 April, 2009 issue.

Statement on the incidents in Madhupur village on 11th April, 2009 by members of the fact-finding team who had visited the village

Five members of the All-India Fact Finding team were present in Madhupur village of Salboni I Block on 11th April 2009 from around 10 am to 12 noon. On reaching the village, the members found the villagers anxious and agitated. A group of 25-30 police personnel carrying firearms had tried to enter the village ten minutes ago. From accounts, when the women of the village resisted and refused them entry, the police threatened to beat up the women. The villagers then gathered in full strength and forced the police to leave the village.

In the presence of the fact finding team members, the villagers prepared for a procession to warn nearby villages against possible further entries by the police and the Harmad Vahini. People from other villages who had been informed soon joined the procession. Women participated in large numbers. They were completely peaceful, not carrying any fire-arms, and not in a mood for any confrontation. Members of the fact finding team left as the procession was beginning. We later came to know from the villagers that the procession had been fired upon by the Harmad Vahini near Memul, a village adjacent to Madhupur. Members of the procession were forced to flee, and women in Memul had to lock themselves up in their houses. It appears that the Harmad Vahini also destroyed some of the houses in Memul, and tried to break doors.

Given the past experience of the villagers, it appears that the attempted entry of the police in the morning is linked to the attack by the Harmad Vahini, subsequently, which seems to lend credence to the fears and distrust of police by the people of Lalgarh.

12th April, 2009

Madhupur fact-finding team:

Vidya Das, adivasi rights activist, Agragamee, Kashipur, Orissa

Gautam Navlakha, PUDR, consulting editor, EPW

Cohn Gonsalves, supreme court lawyer, Human rights law network

Budhaditya Das, student, DU

Manika Bora, student, JNU

“The moon was red on the night of April 10 in Lalgarh, filtered through the cloud of red soil thrown up in the air a few hours earlier. An angry mob of 6,000 adivasi men and women had marched barefoot that afternoon, drawn by the rousing, urgent sounds of *dhaks* – local drums – signaling red alert. As the beats rang out, man, woman and child dropped what they were doing and reached for a weapon, clutching bows in one hand sickles, axes, hacks in the other. Bamboo casks full of arrows rode on their backs, their colorful tails made of feathers from jungle birds, fluttering wind. Inside sheaths, the sharp glistening triangle of steel waited in readiness. The air echoed with frenzied slogan: ‘we cannot be stopped. Not this time.’

“Section 144 has been clamped in the area, there were strong restraining orders. A 500-strong police force has arrived with AK 47s and SLRs to take control. But the adivasis – angry, inexorable – were determined to violate the order and cross over to neighboring Bankura. They were protesting months of police atrocities. The men in uniform facing them were only an added inflammation. Both parties negotiated through their respective loud speakers – one seated on the roof of jeep, the other peddled on a cycle rickshaw. Unprepared for this organized show of strength, the police watched, shouted – and watched. The adivasis crossed over. They wanted the release of three community members arrested that morning. If they weren’t released, they said, they would ‘create trouble again’ the following day. All the three were released. ...

“On 11 April, the day after the stand off at Lalgarh, in the village of Madhupur, a few kilometers away, adivasi men and women armed with traditional weapons are lying in trenches, hiding in jungles, standing at points of vantage – guarding territory. The night of the red moon had been long. Now as the police try to enter a village again, another face off is triggered. By noon, as the police retreat, the villagers spot the *harmad* coming. They position themselves around the village in a one-kilometer radius from the huts and start firing. At 6 pm, while the firing is still on, SP Verma speaks to TEHELKA on phone and says, ‘Yes, the CPI (M) cadres are firing, but there has also been firing from the

adivasi side, So far, no one is injured. Our police forces are there to help control the situation.’ ...

“The afternoon after the firing, a group of men are resting on the borders of Madhupur. It’s has been another long night. One of them has fallen asleep resting his head on his rubber *chappals*, his palm clutching a cask of arrows, ready to wage war even in his sleep. Who knows when they will be back next? Ask them what they will do if the *harmad* keeps getting closure, and they smile and say, ‘They have weapons, we have people. We will show them what our strength is.’”

Women as Leaders and Active Participants

If the Singur struggle forced the door open for the mass participation of women along with men to save land and livelihoods, the Nandigram struggle added greater dimension to the militant participation of women. Like in the Bengal-wise *Tebhaga* movement in 1946–47, in Nandigram too women came forward to resist attacks by police and mercenaries. In both places many women were martyred. In Lalgarh or in Jangalmahal as such women’s role assumed extra-dimension by virtue of their coming up to the leadership level. Ever since the Maoist-led struggles spread to the three districts of West Bengal, police camps were set up in large numbers; night raids, incidents of rape, indiscriminate arrests, cruel torture in police custody, etc. became the order of the day. For so many years now myriad times small- scale protests were seen against police atrocities with women in the forefront. Lalgarh struggle radically unlocked the leadership potentials of women, somewhat rousing the long lost matriarchal elements of direct intervention in matters encompassing the whole society. It is a fact that adivasis, dalits and other socio-economically exploited women equally participate in the productive process along with their men folk. But patriarchy did not allow their leadership role in political affairs. Media reports have regularly highlighted the Maoist propaganda meetings for political education of the wretched of the earth. More than that, the joining of local tribal and other women belonging to the

bottom of the caste-class category, arrests from within their ranks and even killing of women activists from them have had a significant impact in these areas on the women as a whole. Lalgarh struggle has pitch forked to the limelight scores of women representatives in more than 158 villages. The village committees have turned upside down the conventional, parliamentary party-oriented and administrative structures of leadership paying lip service to women’s empowerment under conspicuous male domination. It is the novel feature that in each and every village at least 50% of women’s representatives have been ensured through active participation of women against police terror. This is a new phenomenon in the history of political movements in India, Bengal in particular. Through this participation, community heads who mostly became tools of the CPI (M)-led administration, lost their earlier authority. This is neither the so-called mainstream politics nor the pure sub-alter consciousness of the past. Elements of class struggle are pronouncedly present cutting across all tribal and dalit and other communities centering on the demands against police-CPI (M) - administration led atrocities and for the end of exploitation and for real development. On the occasion of the International Women’s Day, 8 March, People’s Committee against Police Atrocities floated its women’s unit. In presence of more than 5000 women, this women’s committee was formed with the name: Women’s Unit of People’s Committee against Police Atrocities with Sraboni Soren as the convener of the unit at Narcha in Lalgarh.

People once again force the state to remove police camp using the weapon of Social-Boycott

The attempts of coercion and intimidation of the CPI (M) and administration could not make Jangalmahal people retreat in fear. The movement made the administration bow down and the promises were made by the administration to remove the police camps and consider all their demands. People’s Committee against Police Atrocities removed its first two demands on the basis

of the Chief Minister Buddhadeb Bhattacharya's apology in the legislative assembly. But on the same day of 7 December, 2008 after an agreement was reached through negotiation, the CRPF raided the same Chhotopeliya village at night soon after the road blockades were withdrawn. The CRPF was besieged by hundreds of villagers and were freed only after the officer of the CRPF team publicly held his ears, apologized and saved his soul with the intervention of the leaders of people's committee. True to its bamboozling character, the state going against the agreement between administration and the people's committee, re-deployed police and CRPF in the Ramgarh police camp and seven other police camps which were vacated earlier. This betrayal on the part of government led to simmering discontent in the whole region of volcanic Jangalmahal. With the redeployment of police and CRPF, People's Committee against Police Atrocities gave a call to the people of Kalaimuri, Madhupur, Nadaria and surrounding areas of Salboni for non-cooperation, for social boycott of the police and for not selling the essential items to them. Heeding to the call shops refused to sell food and other daily needs to the police jawans. As a result the jawans of the second Battalion State Armed Police camp in Kalimuri faced shortage of cooking materials and were virtually on the verge of starvation. As such the administration had no go but to vacate that camp which was in existence for the last two years. Not only that the people have been maintaining a 24 hour vigil to prevent the entry of policemen in to that area. The people caught hold of some EFR jawans who tried to sneak in to that area, confined them for a couple of hours and released them only after they wrote a bond admitting their fault and declare that they would not venture further in that area.

Government's Vain Attempts to Douse the Raging Fire of People's Discontent

The discontent and unrest that is unfolding again among the adivasis and non adivasis has forced the state government to announce a slew of 'development' measures for the so called

uplift of tribal community. After decades of criminal neglect the 'left' ruled state government, has woken up suddenly to the miseries and deprivation of perennially oppressed and exploited population of Jangalmahal. The CPI (M) is running 32 years of its rule, but the tribals and other backward classes are still rooted in endemic poverty. The CPI (M) state government has miserably failed to ensure food, clothing and shelter—the bare necessities for existence to the people. How come they can expect this government to ensure potable water, health service, education, electricity and better road facilities for a better living for the tribals and other low castes people perpetually living in penury? They are not provided with the necessary items in ration shops, whereas those are sold in open markets at high prices by ration dealers with the help of the political mafias. Though almost all of the people in that area fall under the category of below poverty line they are not even granted their BPL (Below Poverty Line) ration cards. Strangely enough, a department of Development Council of Eastern Region is in place. The notorious Sushanta Ghosh of Keshpur massacre has been made an in-charge of this department, ostensibly for the development of the scheduled tribes. And the result? Crores of rupees are sanctioned, regularly, expenditure reports too are also put in the assembly, but the paltry amount of even 0.3% doesn't reach out to the adivasis and the backward classes. Eastern Region Development Council was allocated with funds of 30 to 80 crores for 2007—2008 fiscal year and 42.49 crores for 2008—2009 fiscal year by the West Bengal government. 30 to 40 crores per year for one crore of people living in 12,500 villages in 78 blocks! Which means government allocation (Eastern Region) is only rupees 30 to 40 per head, per annum. Thanks to starvation and half-starved stomachs, 83% adivasi women of that region suffer from malnutrition and anemia. Further, a central representative team, after a survey of West Midnapore, Bankura, Purulia districts gave out a report: the eight panchayat samitis of Jhargram subdivision were allotted 1 crore 21 lakhs 41 thousand rupees from the Central Backward Region Grant Fund

for 2008—2009 financial year, only 36 lakh and 50 thousand rupees has been put into use and the rest 70% has to be returned by the state government. So, it is well understandable what the actual situation is. The developmental funds earmarked for the tribals in those districts either remain shelved or are pocketed by the corrupt CPI (M) leaders and panchayat members in connivance with the local administrators. The pathetic scenes of Amlasholes are the actual picture of the 'left' ruled state government's criminal apathy.

A relevant point that is worth mentioning is that the CPI(M)-led state government of Bengal with profound pride focused in its mouthpiece (*Ganasakti*, 5 March, 2009) that West Bengal has come second in a nationwide evaluation on the basis of various types of work of panchayats. But the ground level picture tells a completely reverse tale of the corrupt functioning of panchayats of Jhargram subdivision that unmasks the state government's farcically woven myth of 'development': Under the one-hundred day National Rural Employment Guarantee Act (NREGA), in the two months, i.e., in September and October at Binpur – 1, Lalgargh village panchayat, not a single farthing had been expended despite the money being earmarked for it. The administration failed to provide jobs for a single family at Baita and Dharampur village panchayat areas under these blocks in the months from September to December 2008. It is learnt from the government website that at Binpur—1 block, in 10 village panchayat areas in a 7-month period on an average, among the people who obtained job cards secured jobs on application only for 20 days. The picture is no different in other blocks. According to the above source, in West Midnapur 7 lakh 545 job cards were issued and 2 lakh 15 thousand and 582 persons applied for jobs. In areas dominated by scheduled tribes under that programme only 10.13 percent got jobs. And in the whole of West Midnapur a mere 9.2 percent women got jobs. To repeat, in the 100 day-job programme in the tribal dominated Binpur-1, Binpur-2, Salboni and Jhargram block the miserable job guarantee is on an average 20,9,12 and 15 days respectively.

As a whole, in the seven months ending in December 08, in Lalgarh, the NREGA could provide only 7 days' job out of 100 days! With the Lalgarh revolt the CPI (M) led administration suddenly started giving 'patta' (land title) to some people after so many years of its rule. With election round the corner, BPL cards are now being distributed in the name of rectifications. Such overdrive was never seen in the past three decades. The "Status of Rural Electrification in West Medinipur" published on 31 January 2009 exposes the tall claims of the 'Left' Front government on development in backward areas in more than three decades of its rule. It shows that out of 2,953 *muza* in Jhrgam sub-division electricity reached only 953 *mawza*.

The high voltage 'development' bid of 'left' ruled state government it is only to dispossess the marginalized tribals and other low castes people of Jangalmahal of their natural resources, their water, forests and land (containing mineral wealth) and hand it over to big corporate houses to serve their interests. Now the very survival of people of this region is at stake – the proposed steel plant at Salboni is a case in point. As such they have decided to organize themselves and fight to build a brighter future by relying on their own strength.

The Spirit of Lalgarh Struggle Lives On

Now, it is becoming increasingly difficult for the CPI (M)-ruled state government to make the tribal mass to swallow these bitter pills of 'development' down their throat. The People's Committee against Police Atrocities, apart from its 13-point demand, is also coming up with the question of the people's age-old exploitation and deprivation. So their democratic way of mass movement is taking up much larger shape and raising pertinent questions regarding the 'development' paradigm, dispossession and their survival. The people's Committee has undertaken real development measures which the government has failed to deliver. The Committee has started one hospital and taken up measures to sink tube wells and develop alternative irrigation system. The People's committee has set to work at Barpetia, Bhardanga, Katapahari,



Krishnakumari to sink tube wells. It is also taking up the responsibility to desilt Barpelia canal, which will require Rs.8 lakh. The Committee is collecting donations from people for such developmental work. This has become a cause of extreme worry for the state government. India claims to be the largest democracy. But whenever a mass uprising happens with its just and democratic demands, it is labeled as Law and Order problem and is crushed down barbarically with arms, revealing the most undemocratic nature of the State and governments. But the people of Junglmahal are determined to continue their struggle come what may.

So, every day is a new day coming up with new hopes for the tribals and non-tribals of Jangalmahal fighting for their democratic demands. They are determined to boycott the coming elections to the Parliament. As they have realized that it won't change anything in their lives. This belief among the people is clearly reflected in the words of a villager who spoke to *Tehelka* presenting the people's upsurge in a new light thus; "It is not just about police atrocities. We are tired of waiting for development. We have no water, electricity, NREGS, BPL cards or even a hospital nearby. So don't blame us for being enraged. What is the point of these elections if it isn't going to change any thing in our life?" Their undeterred

movement will continue till they come out victorious. Inspired by the Lalgarh resistance other tribal and non-tribal poor people dominated areas are on the ferment. Recently, in 4 blocks of Parulia district 1 lakh 50 thousand adivasis formed a similar committee. The name of the organization is Adivasi Mulbasi Janaganer Committee. Over the last few months, the movement has also spread roots in to CPI (M) strongholds like Raipur, Shimlipal and Saringa blocks of Bankura district, the Borolampur sub-division of Purulia district and parts of Birbhum district. These are not areas where police atrocities have taken place, but the movement has struck a chord as a way for adivasis to assert their political identity – changing the face of the resistance movement.

The war drums of the warriors of Lalgarh boomed on the streets of Kolkata on April 24, 2009 as thousands of tribals carrying their traditional arms - bows and arrows, axes and swords - marched in unison giving out revolutionary slogans in an unprecedented show of people's strength and solidarity less than a kilometre from the state's seat of power at Writers' Building when they took out a rally. The six hour victory rally brought Kolkata to a halt. This rally highlighted the surging spirit of the warriors of Lalgarh in their determination to carry forward their on going rebellion.

Pt

LALGARH REVOLT SURGES AHEAD

Ayesha

How the Mass Anger Exploded

Indian history is now a witness to a heroic mass upsurge that has been going on as a basically adivasi mass uprising in the Lalgargh area in West Midnapur district of West Bengal. Ever since the landmine explosion conducted on November 2 reportedly as a protest against the SEZ bid of West Bengal's ruling party, on the entourage of Bengal's Chief Minister Buddhadeb Bhattacharya and the Union Minister steel, chemical & fertilizer Mr. Ramvilas Paswan while returning from the highly state publicized inauguration ceremony of the Jindal Steel Works (A Special Economic Zone) at Salboni in West Midnapore. Police went on rampaging the tribal villages, torturing the tribals and other

movement called Police Santrosh Birodhi Janasadhan Committee or the People's Committee against Police Atrocities (PCAPA). A 13-point charter of demands was handed over to the administration. The demands included some of the long-standing demands of the adivasis and other low-caste oppressed to stop police raids in the villages at night, removal of police and CRPF camps from the villages, occupying the school buildings, hospitals, etc., release of tribals and other arrested since 1998 on mere suspicion of being Maoists and charged with cases of waging war against the State, punishment of the policemen guilty of the recent brutal attacks, and adequate compensation money to the injured locals in police brutalities etc. The people gained a

A forced situation of migration continues to persist since the British rule. Clusters of adivasi villages nestled in the forests got increasingly removed from forests as such with the speed of deforestation and fake development. It is notable that in the three contiguous districts, namely Bankura, West Midnapur and Purulia is predominantly the adivasis in most cases followed by Dalits and OBCs who inhabit the region. According to the census 2001, in West Bengal out of 341 blocks, the percentage of this population in 36 blocks hovers between 40 and 59.99 percent. Jhargram subdivision has 8 blocks including Lalgargh, Binpur, Jhargram, Jamboni, Gopiballavpur—1, Gopiballavpur—2, Sankrail and Nayagram. Interestingly, socio-economic and cultural

People of Jungalmahal Boycott Elections

In West Bengal's Jungalmahal area the people's message was loud and clear. We don't believe in the system. And it echoed throughout the Maoist strongholds in that region on April 30, when 14 constituencies across nine districts went to polls. Media reports indicate that an unprecedented election boycott was observed in the tribal-dominated areas of West Midnapore, Purulia and Bankura as well as the Dooars region of North Bengal. Eight booths of Lalgargh saw no voters; in Belpahari 13 booths stood empty and in the other areas of the state 96 booths registered no polling. Of the 30,000 voters in Lalgargh not more than 100 voted. The media reports that even the CRPF personnel on poll duty were surprised. An Assistant Commandant of the CRPF told the media: "We have experience working in Maoist troubled zones. We have not seen such type of low voting in other states"

exploited in the dead of nights in the name of search for Maoists

Initially the centuries-old oppressed tribals united under the organisational banner of Bharat Jakat Majhi Madwa Juan Gaonta. The revolt that started from a spark against police atrocities on the women added fuel to the fire unlocking the heaps of grievances accumulated over years and the revolt spilt the boundaries of Lalgargh and spread like wildfire to newer areas and subdivisions. The adivasis of adjacent tribal dominated districts like Bankura, Purulia, Burdwan, and Birbhum also rose in revolt. Everywhere thousands of adivasis men and women held rallies and meetings on the same issue. The upsurge had its full impact even on the areas of the CPI (M)'s strongholds. Lakhs of people from these areas have come together to form a huge resistance

significant victory by forcing the administration to agree to 10 of their 13 demands apart from the removal of some police camps. (A detailed report was published in our April '09 issue.) Having won this initial victory the people of this area are forging ahead under the leadership of the committee to continue the struggle to change their lives and living conditions for a better tomorrow.

Socio-Economic Profiles of Jangalmahal

Despite the presence of a huge population of adivasis, thanks to the forest department's criminal nexus with the CPI (M), police, timber mafias and administration to loot the forests and the flawed path of development, the centuries old dependence of adivasis on forests was endangered.

characteristics in Jhargram Subdivision, Purulia and adjoining districts of Jharkhand are more or less same. In Jhargram Subdivision itself 30 percent of the population is Scheduled Tribes (Santhal, Munda, Lodha, Mahali, Kora, Bhumij, etc.) and 18 percent Scheduled Castes who include Bagdi, Dom, Kaibarta, Mal, etc. Besides them the other major population comprises the Other Backward Classes like Kurmi Mahato, Kumbhar, Tanti, Teli, Raju, etc. Those three categories of population comprise more than 90 percent of population in Jhargram and its adjoining areas. According to the last census the Adivasi population once owners of the land are now increasingly turned in to *Khetmajors* (agricultural laborers) between 1971 and 2001.

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