

People's Truth

Voice of the Indian Revolution

**Imperialism in Worst Crisis since WW II !
Great Depression Looms Large !!**



**Inside: Sixty Years of
Unrelenting Palestinian Resistance**



**Financial Crisis :
Global & India**

3
&
1

China in Africa

28

POLITICAL COMMENTARIES

REPORTS

Corporate Loot of Employees
PF 19

Singur Struggle must... 21

Beat back the Fascist
onslaught in Orissa 23

On Gujjars 25

The importance of being Raj
Thackery 27

Attacks in Mumbai—causes
and solution 41

Commemorate Centenary
year of International women's
day 43



**Loot of Tribal lands by
the CPI (M) 14**

Uprising in Lalgarh 16

PRESENT FINANCIAL CRISIS & THE IMPENDING GREAT DEPRESSION

Arvind

AFTER the crash of all the five major investment banks in the USA in September, as we go to the press the newspapers reported on November 23 that the US's largest bank, Citicorp, went bankrupt and was bailed out by the government. Not only that, it is also reported that the three major car companies of the US, General Motors, Ford and Chrysler, too are on the brink of collapse. These companies and banks have been the very pillars of the American economy and financial system. Simultaneously this month all the major economies of the world have reported negative growth in the last two quarters (i.e. a six month period). Europe, Japan, USA and Russia are already in recession. Stock markets continue to crash throughout the world and what began with the bursting of the US housing bubble is turning into a global economic and financial disaster of the type not seen since the Great Depression of the 1930s. Never before in the last 80 years have there been a crisis of such magnitude.

On the last occasion it took a World War to pull the economies out of the crisis and the death of over 2 crore people. This time what will this much glamorized capitalist system gift to the people of the world? Will it be a holocaust of a different kind?

During the last such crisis even a country like the US witnessed hunger marches in the 1930s and we witnessed the rise of the monsters, Hitler and Mussolini and the fascist terror. At that time there was a Soviet State which helped the world people to fight back the horrors associated with that crisis of capitalism; today we do not have even that.

According to a report "Global systemic crisis Alert" which toured the world in February 2006, says "*that we are now resolutely stepping into an era with no historical precedent. Our researchers insisted on that many times in the last two years: any comparison with the previous crises of our modern economy would be fallacious. It is neither a remake of the 1929 crisis, nor a repetition of the 1970s oil crises nor 1987 stock market crisis. It is truly a global systemic crisis, that is to say a crisis affecting the entire planet and questioning the very foundations of the*

international system upon which the world was organised in the last decades." According to the LUGANO Report, a secret research document on '*the future of the global economy and the free-market system*', commissioned by the major global powers and written by an anonymous 'working group', the only way to save 'Western Civilization' from the oncoming crisis, is by a drastic reduction of the population – in other words, mass extermination and genocide!!!

Though this may be an excessively alarming reaction, it was, defacto, the solution after the Great Depression with WWII taking a huge toll, on a scale never witnessed before. The reality is that the bourgeois establishment has no solution and with the US being at the very epicenter of the impending implosion, the tremors will be worldwide and no country or individual will remain unaffected. Those tied to the US economy, like India, will be the most seriously affected.

Let us first look at the dynamics of the crisis in the US which was triggered by the burst of the housing bubble and the sub-prime crisis. Then we will come to its impact worldwide and finally the political repercussions and the possible way out.

Present crisis in the USA & World

The **sub-prime mortgage crisis** is an ongoing financial crisis triggered by a significant decline in housing prices and related mortgage payment defaults and foreclosures (i.e. seizure of properties by banks) in the United States. This caused a ripple effect across the financial markets and global banking systems, as investments related to housing prices declined significantly in value, placing the health of key financial institutions and government-sponsored enterprises at risk. Funds available for personal and business spending (i.e., liquidity) declined as financial institutions tightened lending practices. The crisis, which has roots in the closing years of the 20th century but has become more apparent throughout 2007 and 2008, has passed through various stages exposing pervasive weaknesses in the global financial system.

Sub-prime mortgages are loans given for purchase of property without any security of the purchaser. Such loans which were a mere 5% (\$ 35 billion) in 1994 reached a massive 20% (\$ 600 billion) by 2006.

This demand helped fuel housing price increases and consumer spending. Between 1997 and 2006, American home prices increased by 124%. Some homeowners used the increased property value experienced in the housing bubble to refinance their homes with lower interest rates and take out second mortgages against the added value to use the funds for consumer spending. U.S. household debt as a percentage of income rose to 130% during 2007, versus 100% earlier in the decade. Americans spent \$800 billion per year more than they earned. Household debt grew from \$680 billion in 1974 to \$14 trillion in 2008, with the total doubling since 2001. During 2008, the average U.S. household owned 13 credit cards, and 40 percent of them carried a balance, up from 6 percent in 1970.

Speculation in real estate was a contributing factor. During 2006, 22% of homes purchased (1.65 million units) were for investment purposes, with an additional 14% (1.07 million units) purchased as vacation homes. During 2005, these figures were 28% and 12%, respectively. In other words, nearly 40% of home purchases (record levels) were not primary residences.

The crisis began with the bursting of the United States housing bubble and high default rates on "sub-prime" and Adjustable Rate Mortgages (ARM i.e. interest rates dependent on the market), beginning in approximately 2005–2006. Government policies for several years prior to the crisis encouraged higher risk lending practices. Further, an increase in loan incentives such as easy initial terms and a long-term trend of rising housing prices had encouraged borrowers to take on difficult mortgages in the belief they would be able to quickly refinance at more favorable terms. However, once interest rates began to rise and housing prices started to drop moderately in 2006–2007 in many parts of the U.S., refinancing became more difficult. Defaults and foreclosure (seizure of properties by the banks) activity increased dramatically as

easy initial terms on interest and repayment expired, home prices failed to go up as anticipated, and ARM interest rates reset higher. Foreclosures accelerated in the United States in late 2006 and triggered a global financial crisis through 2007 and 2008. During 2007, nearly 1.3 million U.S. housing properties were subject to foreclosure activity, up 79% from 2006.

The value of all outstanding US mortgages, owed by households to purchase residences, was US\$9.9 trillion as of year end 2006, and US\$10.6 trillion as of midyear 2008. As of August 2008, 9.2% of all mortgages outstanding were either in default or in foreclosure. 936,439 US residences completed foreclosure between August 2007 and October 2008. In other words about one million people lost their houses in those 15 months.

To understand the spiraling affect of the housing crisis we must understand that these housing mortgages were repackaged as financial instruments and sold as derivatives to other banking and insurance companies around the world. Financial products called mortgage-backed securities (MBS), which derive their value from mortgage payments and housing prices, had enabled financial institutions and investors around the world to invest in the U.S. housing market. Major Banks and financial institutions had borrowed and invested heavily in MBS and reported losses of approximately US\$435 billion as of 17 July 2008.

The resulting securities are called mortgage backed securities (MBS) and collateralized debt obligations (CDO). Most American mortgages are now held by mortgage pools, the generic term for MBS and CDOs. Of the \$10.6 trillion of US residential mortgages outstanding as of midyear 2008, \$6.6 trillion were held by mortgage pools and \$3.4 trillion by traditional depository institutions.

Investors in MBS and CDOs can insure against credit risk by buying Credit defaults swaps (CDS). As mortgage defaults rose, the likelihood that the issuers of CDS would have to pay their counter parties increased. This created uncertainty across the system, as investors wondered if CDS issuers would honor their commitments. **It is estimated that the losses in the swaps market is over \$ 50 trillion.**

Effects on global stock markets due to

the crisis have been dramatic. Between 1 January and 11 October 2008, owners of stocks in U.S. corporations had suffered about \$8 trillion in losses, as their holdings declined in value from \$20 trillion to \$12 trillion. Losses in other countries have averaged about 40%. Losses in the stock markets and housing value declines place further downward pressure on consumer spending; a key engine for economic growth.

Financial institutions from around the world have recognized sub-prime-related losses and write-downs exceeding U.S. \$501 billion as of August 2008; the total is expected to be \$2 to \$ 3 trillion. Profits at the 8,533 U.S. banks insured by the FDIC declined from \$35.2 billion to \$646 million (89%) during the fourth quarter of 2007 versus the prior year, due to soaring loan defaults and provisions for loan losses. It was the worst bank quarterly performance since 1990. For all of 2007, these banks earned approximately \$100 billion, down 31% from a record profit of \$145 billion in 2006. Profits declined from \$35.6 billion to \$19.3 billion during the first quarter of 2008 versus the prior year, a decline of 46%.

The financial sector began to feel the consequences of this crisis in February 2007 with the \$10.5 billion write-down of HSBC, which was the first major CDO or MBO related loss to be reported. During 2007, at least 100 mortgage companies either shut down, suspended operations or were sold. Top management has not escaped unscathed, as the CEOs of Merrill Lynch and Citigroup were forced to resign within a week of each other. Various institutions followed up with merger deals.

The Great September/ October 2008 Crash

It was a domino affect. First the bursting of the housing bubble leading to the collapse of banks that invested in mortgages; then the collapse of financial institutions that heavily invested in the mortgage related financial instruments; then with the collapse of the credit market and liquidity and a resulting drop in people's purchasing power the beginning of the collapse of the 'real' (manufacturing) economy.

The financial downturn became acute with the collapse of the investment bank Lehman Brothers on Sept 14, '08. Lehman Bros, a pillar of the US financial establishment, was established in 1844 had

assets worth \$ 639 billion and 25,000 employees worldwide. This was followed by the collapse of all the 5 main investment banks of the US which disappeared overnight. Lehman Bros went bust, Bears Stains (had already collapsed in March 2008) and Merrill Lynch (founded in 1914) were taken over by banks and Morgan Stanley (founded in 1824) and Goldman Sachs (founded in 1869) were converted into regular banks. 20% of the share capital of Morgan Stanley was taken over by the Japanese Mitsubishi Bank. On Sept 16th America's biggest insurance company, AIG (American International Group founded in 1919), was also on the brink of bankruptcy, but was bailed out by the US government pumping in \$ 85 billion.

Already till September 2008 saw 81 corporations in the US file for bankruptcy with the Lehman Bros being the largest in US history. In July 2008 itself the US witnessed the ninth biggest bankruptcy with the failure of Indy Mac Bank (asset value of \$ 32 billion), the largest mortgage lender in the US. In early September the government sponsored mortgage agencies Freddie Mac and Fannie Mae (created in 1970), which had an outstanding of \$ 5 trillion in MBS (mortgage backed securities), were the first to go bankrupt and were nationalized by the government. In late September the US's eighth largest bank, Washington Mutual (asset value of \$ 307 billion), went bankrupt and was bought over by J.P.Morgan Chase for a song. In mid October yet another major US bank, Wachovia Bank (founded in 1879), the largest savings and loan association in the United States, went bust and was bought up by Wells Fargo.

The financial collapse in the US greatly impacted the European financial system which had invested heavily in the US mortgage market. Initially the companies affected were those directly involved in home construction and mortgage lending such as Northern Rock (UK) and Countrywide Financial.

Northern Rock was nationalized by the British government on Feb. 17 2008. By early October the British government pumped in \$ 150 billion into the bank to save it from collapse. On Sept. 17th the Scottish Bank HBOS was taken over by Lloyds to save it from collapse. On Sept 29th British Bank Bradford & Bingley was nationalized by the UK government.



decades back. Money has been recycled and turned around so that loans were taken against assets or investments. In turn these led to an increasing spiral of loans by way of derivatives so that the financial economy became much larger than the real economy. The bubble of the derivative market grew and grew, particularly in these past six years. There is no estimate of losses in these so-called 'toxic assets' but the defaults in swaps alone is estimated at \$ 60 trillion. Five years back, Warren Buffet (the richest man in the world), described derivatives as "*financial weapons of mass destruction, carrying dangers that, now latent, are potentially lethal*".

So the losses involved are so gigantic that even these huge bail-outs may just touch the tip of the iceberg of debts, defaults, losses, etc. The meltdown in the financial sector has already begun to impact the industrial sector with major companies recording heavy drop in sales, growing inventories and rising losses. Rising unemployment and wage cuts are shrinking the market further intensifying the crisis of over-production. Global output of mines and industry have already fallen 2% since January. It is expected that by mid-2009 about 4 lakh jobs will be lost in the financial sector worldwide; the ILO says that the world would loose 20 million (2 crores) jobs by the end of next year. Car and truck sales in the US have plummeted 30%. Car and truck sales in the US in the first half of 2008 were down half a million to 1.7 million from 2.2 million in 2007. The big three automakers in the US, General Motors, Ford and Chrysler, are already making heavy losses. GM lost \$18 billion in the first half of 2008 after making heavy losses last year. This company that was for decades the largest company in the world, heading the Fortune ranking, for decades is now on the verge of bankruptcy and is seeking merger with Chrysler.

The US is a gigantic consumer of goods and large numbers of countries have been dependent on the US for its exports. The slowdown in the US economy has already badly affected countries dependent on the US for their markets, including India. After all, the US consumer last year spent a huge \$ 9.5 trillion, compared to \$ 1 trillion in China and a mere \$ 600 billion in India. In Asia exports represent 43% of the pan-regional GDP, most of which goes to the US. Today after years of following imperialist dictates 40% of India's GDP comes from imports and

Dexia, a European bank, reputed to be the world's biggest lender to local governments had to be rescued. Fortis, one of the biggest European banks, has been nationalized in bits and pieces by Holland, Belgium and Luxemburg. Germany has rescued mortgage lender Hypo Real Estate for \$ 60 billion and earlier rescued West LB. Italy had to suspend trading in its largest bank, Unicredit, to stave off panic. The Irish government has guaranteed all bank depositors to stem panic. Iceland's major 6 banks have gone bust and the government had to suspend trading in most and has nationalized one. Governments have bought stakes in banks of Britain, Belgium and Holland. The German government also took the unusual step to provide guarantee to all private savings accounts in German Banks. Similar steps were taken by Greece, Denmark and Austria. It is reported that the European banks have been as badly hit as the US banks.

The Gigantic Bail Outs

Unlike the earlier Great Depression, on this occasion the governments had pumped in gigantic amounts of funds to prop up the crumbling financial system. **This is nothing but the utilization of tax-payer's money to rescue big business. The much hyped privatization mantra is being discarded for nationalization. It entails nothing but privatization of profits; nationalization of losses.** The corporate bosses are not

affected by the losses; it is the people who have put their savings who are most seriously affected. Till end October the total bail-out package by US and European governments is a massive \$ 2 trillion (i.e. double India's entire GDP of \$ 1 trillion in 2007-08). After much debate and a near collapse of the US stock exchange, the US senate passed a \$ 700 bail-out package (India's budget for 2008-09 is a mere \$ 185 billion); the British government put forward a \$ 865 billion package; France \$ 491 billion and Germany \$ 681 billion. The US bail out comes on top of \$ 85 billion to rescue AIG and the plan to spend \$ 200 billion to shore up Fannie Mae and Freddie Mac. But the problems are not getting solved and as we go to the press (Nov.27) the US government announced yet another gigantic bail out package of \$ 800 billion.

But according to economists this does not even touch the massive losses hitting the financial world; not to mention its growing impact on industry and manufacturing. The US housing bubble itself is estimated to have losses of \$ 3 trillion and stock exchanges around the world have lost 40% of their value during the year leading to the evaporation of trillions of dollars. But the worst affected are the main sphere of the speculative market, the derivatives whose market has grown to the astronomical figure of \$ 531 trillion (40 times the US's GDP) from \$ 106 trillion in 2002 and practically nil two

exports. The US is loosing jobs at a fast rate with 1,60,000 jobs lost in September alone, taking the years total to 7, 60,000. All this will severely impact the economies of these Asian countries, including China.

Depression Looms Large

As we go to the press reports are coming in that the major economies are already in recession.

The economy of the 15-nations sharing the euro has slumped into recession for the first time ever, with the GDP falling by 0.2% in the second and third quarters (from April to Sept) of 2008. Italy's GDP shrank 0.5% in the third quarter. The Iceland krona has declined by 40% against the euro in 2008 and has experienced an inflation of 14%. Iceland's economy is expected to shrink by as much as 10% this year. Ireland's economy reported a contraction of its GDP by 1.5% in the first quarter of this year. Germany's economy contracted in both the second and third quarters putting it in official recession. France's economy was expected to decline by 0.1% in both the third and fourth quarters, also putting it in recession. UK's economy is one of the worst hit with it shrinking by 0.5% in the third quarter. The pound fell to below \$1.53 in end October, its biggest drop in 37 years and is at its weakest since 1971. Woolsworth, the giant retail chain with 800 stores, is bankrupt and to be sold for one pound due to a mountain of debt it has accumulated. Marks & Spencers, the other big retailer, has slashed prices by 20% to remove stockpiles.

The US economy shrank 0.3% in the third quarter. In Canada the GDP shrank by 0.5% in the first two quarters (Jan to June 08). Giant bankruptcies continue, the latest being Citicorp, the largest US bank, which was finally bailed out by the government at a huge cost of \$ 400 billion. One of the biggest US airlines, Delta Air Lines, was bought over by another airline, to save it from collapse. General Motors, after piling up losses over the last two years and attempts at continuous restructuring, is also going the same way. Today its share value is down to zero and is on the verge of bankruptcy. There is no end to the crisis which has hit the US economy, the epicenter of the present worldwide depression.

The Japanese economy declined by 0.7% in the second quarter, while exports to the US dropped 21.8%, the biggest

decline on record. On Nov. 17th the Japanese Economy Minister announced that the nation was officially in recession. In Japan the stock market has been so badly hit that 75% of listed Japanese companies are trading below their book value.

Russia's foreign exchange reserves of \$ 600 billion dropped by as much as 50% in just the two months Sept and Oct and by Sept the RTS stock index had plunged 54%. The volatile situation of the Russian economy was compounded by its Central Bank's investment of \$ 100 billion in the US mortgage market which is never likely to be recovered. Spending on non-durable goods like food dropped at the sharpest rate since the 1950s and disposable incomes dropped by 8.7% in the third quarter, the highest ever since such records were kept in 1947.

In this 'globalised' economy, the backward countries are bound to be the worst hit. All have been so inextricably tied up and dependent on foreign capital that its sudden withdrawal has not only badly hit the stock exchanges but also credit availability. In addition all these countries are heavily tied up with the imperialists for not only marketing but also production. In Asia just exports comprise 43% of the GDP and vast sectors of the economy are involved in outsourcing products, parts and services for the TNCs. So we see that in all three spheres — capital, production and marketing — the backward countries are highly dependent on the imperialist economies and the TNCs. The impact is bound to be devastating here. This is already visible in the crashes in the stock exchange, drop in foreign exchange reserves, weakening of their currencies, drop in export orders and resulting unemployment, etc. Even in China its trade surplus fell by 11% since January and its growth rate is expected to come down to 7.5% from the 10-12% it normally has. Also 70 Asia-focused hedge funds have closed down since January. The ten member ASEAN countries have set up a fund to cushion the crisis. Of the total fund China (\$ 80 billion), Japan and South Korea will contribute 80%.

In the first week of October global commodity prices recorded their biggest weekly fall in over 50 years. Prices are down by over 30% since July and are still falling.

So the crisis has already spread to all countries and all spheres of the economy. But the epicentre of this financial

earthquake is the largest economy of the world — the United States of America.

Impact on India

Take India (*for more details see the following article*), for all the exaggerated claims of the PM and FM the economy is already badly hit. Till end October the BSE share index has fallen 60% since its all time high of 21,207 in Jan 2008 as the FIIs have pulled out a massive \$ 12 billion. On November 21st it reached a 38-month low of 8,451. Real estate stocks have dropped by 90% and Mutual Funds (where much of middle-class savings are put) by 80%. Today, of the 2,699 quoted companies half are below the book value. Due to the big pull out of foreign funds not only has the stock market crashed the rupee declined by as much as 15% in the few weeks ending October 2008 to fall below the 50 mark.

Exports have already been badly hit given that foreign trade and service comprises 40% of our GDP. So, for example, there has been a 50% drop in iron ore exports since August leading to a pile up of 4 million tones at the ports. Prices have crashed from \$ 140 a tone three months back to \$ 85 per tone. Tata Steel has been regularly closing its plant in Tatanagar since the last two months. Drop in cement orders has led to ACC laying off 25% of its staff. Small textile firms are collapsing and over 4 lakh garment workers are likely to be thrown out in the next few months due to cancellation of export orders. It has already suffered losses of Rs.400 crores since January due to a massive hike in prices of cotton yarn and other inputs. The Tirupur textile hub alone will loose 50,000 jobs in the next six months as 25% of its units will shut down. Ludhiana's hosiery manufacturers and exporters have already lost 30% of their business due to the meltdown seriously affecting the 35 lakh workers (15 lakh migrant) involved in the industry. In Meerut over 20% of the 30,000 gold artisans (mostly Bengalis) have gone home. In Surat 20% of the diamond units have closed down and those that remain have less work. They have been affected by the drop in exports and rise in costs of raw diamonds with the rupee falling against the dollar. In Mumbai's sprawling slum, Dharavi, export of leather belts have dropped from 70,000 per month to 3,000 per month.

Besides this, badly hit will be all the BPOs, IT enabled services and those

dependent on foreign orders for their survival. Already many are facing closure and those that survive are cutting jobs, salaries and perks at a fast rate. Indian airlines industry like Jet Airways first retrenched on a big scale and later took back the staff with salaries cut to a fraction of what they earlier got. ASSOCHAM, a top association of the business houses, has said in a report dated Oct.31 08 that Indian companies will slash 25% of their workforce “to sustain operations”. It said that layoffs, to begin with, will be in the seven key industrial segments — steel, cement, IT-enabled services/BPOs, financial & brokerage services, construction, real estate and aviation.

And this is just the beginning. So far savings have not been hit particularly except in Mutual Funds as nationalized banks have not had significant exposure abroad. But ICICI Bank has been badly hit and there is strong possibility of bank and insurance failures, particularly in the private sector with those tied up with TNCs. The ravages of the worldwide depression will hit countries like India badly as the imperialists will seek to push the burden of that crisis on the backward countries. Already the *dalal* Finance Minister has announced a slew of measures that increases enormously the concessions given to foreign capital. As we go to the press he announces that drastic changes are to be made in this sphere. This will only aggravate the situation further, though it may help the big industrialists and financiers — both Indian and foreign.

Crisis of Neo-liberalism; Keynesianism no Answer

The Great Depression of the 1930s was finally pulled out of its crisis after World War II together with Keynesian formulas of state intervention (nationalization) and the welfare state. In those days it also had to contend with a powerful socialist camp. But with the temporary collapse of socialism worldwide and the retreat of national liberation movements and a persisting economic crisis since the mid-1970s, the neo-liberal formulas were pushed to the fore. Reaganism, Thatcherism, et al became the fashion and Keynesianism, nationalization were much ridiculed, not to mention the socialist alternative. The 1990s saw neo-liberal economic policies peak where the market was the new god that determines everything.



Fortunes were made on a scale never seen in the history of capitalism; of course, in the wake of immense impoverisation, with the rich-poor gap also becoming the widest ever. It was even portrayed as “the end of history”, as though the ‘golden’ capitalist era is here for ever and socialism relegated only to history text books. Even welfare was now privatized with a massive mushrooming of NGOs funded by the moneybags and the state.

Growth rates grew compared to the era of the 1970s and that became the irreversible alibi for the neo-liberal theoreticians. And with it was accompanied the gigantic leaps in communication technology in the form of the computer, internet, cell phone, TV, etc that gave it the glamour of a scientific inevitability. The high profile media portrayed none of the misery below the surface and only promoted the world of wealth and glamour. The middle class was brainwashed with this continuous bombardment, and a section even got an opportunity to eat off some crumbs from the imperialist/comprador table. The smallest

dissidence was labeled ‘terrorist’ and callously dispensed with. Once so branded, one ceased to be human, it was as though a dangerous insect had been crushed. The poverty stricken masses too were a non-entity in this make-believe world.

But now the fantasy world of the neo-liberal bubble has burst; and burst in a way that it is unlikely to re-gain for long. Meanwhile it will pull down with it millions more into the mire and suck away lives in lakhs. With one financial bubble after the other bursting the theoreticians of neo-liberalism have no answers and seem totally helpless in the face of the continuing collapse of pillar after pillar of the financial establishment. The gods of power and wealth are tumbling down.

All these crises and bursting of bubbles since the 1970s are, at its roots, crises of over-production. Due to levels of extreme exploitation, markets for commodities have scarcely grown while profits and capital accumulation have skyrocketed. This is clear even from the Fortune 500 listings each year which show

negligible growth in sales. So, the accumulated profits has no outlet in industry and the manufacturing sectors. That is why much of the accumulated surplus has gone into the financial sector - in the form of third world debt, and then into speculation and real estate, creating the bubble economies.

They have just their standard fiscal answers — reduction of interest rates is their main tool: to increase liquidity (i.e. money for capitalists) and make available easy credit for the people to spend and revive the slumping market. But it is not working. On Oct 9th, for the first time ever several Central Banks acted in concert to stem the market panic. The US Fed cut interest rates by 50 basic points to 1.5%; while the European Central Bank cut interest rates from 4.25% to 3.75%. The Bank of England and the Central banks of Canada, Sweden, Switzerland and China also cut interest rates within seconds of each other.

But this was not able to stem the rot. The collapse of the banks, financial institutions and now even the industrial giants continue. Interest rates were reduced further and now in the US the rate stands at 1% and in Japan at 0.2%. On Nov 6th England once again slashed interest rates, this time by as much as 1.5% to bring it to 3% — a 53-year low.

In desperation they have thrown all their neo-liberal theories to the winds and governments have intervened with gigantic bail-out packages to rescue the banks, investment institutions and even companies. This is defacto resorting to the much abused 'nationalization'. As long as they were making huge profits, privatization was the *mantra*; now when they are making losses and are in fact collapsing it is back to nationalization. But this Keynesian alternative is no real solution; it is a mere palliative to give immediate relief. The social democrats and the CPI/CPM type socialists may harp on these alternatives but they will have to explain the earlier failures of the Keynesian model of the 1960s resulting in the crisis which began in the 1970s, and still continues. Also they will have to explain the collapse of the Soviet Union (after capitalist restoration) and those of the then East European countries — all of which were built on a powerful state sector.

The present crisis which is reminiscent of the Great depression is a systemic problem

of the capitalist mode of production itself. The roots of the crisis lie in the capitalist system itself for which there is no solution within it. The only real solution to revive the economy is through the very overthrow of the system and its replacement with the socialist alternative.

Why? To answer this let us go into the history and dynamics of the present crisis and see if there is any answer within the system.

Crisis of Over-production Endemic to Capitalism/ Imperialism

The Great depression of the 1930s was followed by the world war. The post-war years saw a relative boom in the worldwide economy with the US at the centre. But in the 1970s the world economy once again slipped into crisis, marked by the oil shock, removal of the gold standard (against the dollar), perennially slow (or even negative) growth rates, etc.

This crisis that began in the 1970s has continued with intermittent brief recoveries, right up to today. The crisis of over-production which is endemic to the capitalist system results from the intrinsic contradiction of the capitalist seeking to maximize profits (and capital accumulation) through depressing wages to the maximum possible. Continuous capital accumulation demands continuous growth of the market as the capital has to be invested somewhere (otherwise it is not capital, but mere money); but markets are always restricted due to the depression of the wages and low purchasing power of the masses. It is this contradiction that leads to regular crises of over-production. The capitalists can only operate within this limited framework, but are unable to resolve this contradiction. This results in regular crises and in the era of imperialism the Great Depressions.

So with the crisis setting in in the 1970s there was a drop in the purchasing power of the people as all crises are accompanied by rising unemployment, wage freeze, etc. So the capital being accumulated has no outlet in the manufacturing sector for re-investment. So it sought other paths in the sphere of pure finance. In the 1980s the high levels of capital accumulation, specifically thrown up by the petrodollars, found a new outlet in lending to the third world. Through the 1980s this went on, on a huge scale helped along by the IMF and

World Bank, giving gigantic returns to the investors and pushing these countries into deeper and deeper debt. Enormous profits were not only made through charging interest, but devaluation of the currencies and making the loans conditional to extract maximum tribute from the prey. Within a decade the loot was so acute that most of these countries were pushed to bankruptcy and, in fact, many of the loans had to be rescheduled. This period, though it had minor recoveries, witnessed regular economic crises as in 1973, 1979, 1985, 1987, and 1992. It also witnessed the bubble like growth of the Japanese economy (which briefly began to be a challenge to the US), and then its bust in 1989, from which it is yet to recover.

The 1990s and the present century witnessed what came to be called globalization as the solution for their endemic crisis since the 1970s. Now the surplus generated through capital accumulation, unable to find a growing market (except for the opening up of China) resorted to two means: massive Mergers & Acquisitions, on a scale never seen before creating giant conglomerates; second, resorting to high levels of speculation and financialisation of the surplus being generated through the real economy. This was facilitated by the technology boom in computers, internet, etc.

As Raymond Lotta said in an article on the net: *When we speak of capitalist accumulation, we are referring to the competitive production of surplus value (the source of profit) based on the exploitation of wage labor; and the investment and reinvestment of profit on an expanding, cost-cheapening, and technologically more productive basis.*

When we speak of "financialization," we are referring to three particular features of the larger structure of capitalist accumulation in this period of imperialist globalization: a) the growing political and economic power of the financial layers of the capitalist class; b) the vast expansion of financial activities and of financial services, like organizing and financing corporate takeovers, insuring investments against risk, creating new financial instruments, etc.—activities in which profit-making involves the siphoning, centralization, and reinvestment of surplus value through financial channels; and c) the increasing separation of finance from

production.

This process of financialization has gone the furthest in the United States, and it is a major factor in U.S. imperialism's ability to preserve and extend its dominance in international financial markets.

Financialization is also a means through which wealth, and effective control over productive forces is centralized by the imperialist countries—even as production has grown more geographically dispersed and increasingly carried out within sub-contractual networks in the Third World.

Financialization involves efforts to squeeze out more “value” from already created value. One measure of this is that in 2006, the daily volume of trading in foreign exchange markets and in derivatives (financial instruments) added up to \$11.4 trillion—which almost equals the annual value of global merchandise exports that year. In terms of the shifts in the structure of the U.S. economy, the financial sector's share of total corporate profits has risen from 8 percent in 1950 to 31 percent last year.

So here the surplus value generated from the real economy was circulated again and again around the globe in the sphere of speculation, giving astronomical profits to the owners of the capital. But it was a bubble and had inevitably to burst as it had no solid base to it. Market expansion in the US was sought not by hiking wages but by pushing the entire populace into debt through excessive credit — housing mortgages, credit cards, etc. The US also became the most indebted country (in Oct. 2008 the external debt reached the gigantic figure of \$ 10 trillion) with the largest trade deficit.



This fragile situation was sustainable as long as the dollar maintained its supremacy resulting in large inflows from other countries (with most govts. holding their reserves in dollars — the largest today is that of China). If the collapse of the US financial institutions is accompanied by the fall of the supremacy of the dollar (which is rivaled by the euro) and shifting of reserves to another country the fragility of the US economy will result in total collapse. But with it, it will pull down other economies of the world, so that is why, as yet, no one wants to disturb the existing equilibrium by transferring their dollar reserves.

The crisis today is so deep that it is being compared to the Great Depression of

the 1930s. But even in the boom years of the 1990s there was the crisis of 1997 (S.E. Asia and Russia as centre), the bursting of the internet bubble of 1999 (share prices of the dot com companies increased astronomically overnight and then crashed leading to the collapse of hundreds of these upstart dot com companies), and the recession of 2001. So, since the 1970s the crises continued with brief periods of recovery, in many cases artificially created through fiscal manipulations and creation of bubbles. This has now imploded on their face in a crisis, the magnitude of which is incomparable to the other downturns since the 1970s. It is in essence the crisis of over-production, and all fiscal stimulation is proving ineffective.

There is no solution within the framework, but to survive the impending chaos the imperialists and their agents throughout the world will resort to horrors of unbelievable proportions, including wars, fascist massacres to quell the inevitable revolts, levels of exploitation not recently seen, etc. Such are the dismal days ahead, not to mention the massive distress created through the collapse of people's savings, earning capacity and purchasing power.

The Only Alternative

There are reports that in Europe Marx's writings have come onto the best-seller list. Even rulers are referring to Marx to understand the causes for the crisis. This is quite natural as it was only Marx that



gave a scientific understanding of the capitalist system, building on the initial understanding put forth by people like Adam Smith and Ricardo. No doubt capitalism has changed its form in this era of imperialism (scientifically explained by Lenin) but the laws of its functioning remain in tact. The understanding of these laws will not only give an understanding to the present crisis (with all its new manifestations of financialisation, etc) but also the limitations to the solution within the existing system.

But Marx not only gave a scientific understanding of capitalism but also put it in historical perspective. Through a scientific understanding of history he traced its evolution from feudalism and its inevitable transition to socialism. Through his understanding of history from earliest times to now he showed that with capitalism it is far from “the end of history”

but history will traverse through to finally reach socialism and communism. In addition he showed that history has shown no society transformed from one to the next peacefully, it always came through bloody battles as the rulers of the old do not voluntarily give up their benefits without a bitter struggle. They did not wage world wars for nothing. They resorted even to genocide when their interests were threatened. Numerous examples are there in history and contemporary Iraq is yet another example.

So amidst this chaos sanity and peace can only be brought by overthrowing the existing system and replacing with something that is more humane and rational — socialism. In backward countries like India it will have to pass through two phases but the direction is the same in all countries of the world. Communism has been much vulgarized by

the revisionists of the CPI/CPM variety and much reviled due to the reversals of socialist systems the world over. In this 21st century communism must learn from the negative experiences of the past and incorporate all that is positive with a new creativity to catapult society into a real paradise that we all seek. For the present there is utmost necessity to fight the big back the big attacks being launched on the people’s living standards by the capitalists/imperialists worldwide. There is also a dire need to organise powerful communist (Maoist, not revisionist) parties, for it is only they that can withstand the impending fascist attacks and show the light to a beautiful new future. Marxism is once again getting a new life, let us spread its scientific and revolutionary teachings widely so that the masses can get to the truth and understand the ongoing turmoil. P t

Continued from page 13

points to infuse much needed liquidity in to the system [*Business Economics*, October 16-31, 2008]. But all this infusion of liquidity has failed to have sufficient impact as it is nowhere sufficient and also sales have drastically dropped and export orders have been drying up.

The engine of the so-called growth when based on outsourcing incomes in the IT sector, a huge boom in the real estate business with the FIIs playing the major role, and pervasive waves of stock market boom with mysterious foreign investors’ support etc, cannot sustain any economy perpetually depending on the US and other imperialist economies. The multitudinous links of dependency that deepened under imperialist globalization, have shaken up the Indian economy due to the grave financial crisis having its epicenter in the USA.

Fears of opening of flood gates for the exit of FIIs has of late made SEBI lift the restrictions on the issue of PNs by the FIIs. Under pressure from various circles, the UPA government directed the SEBI in October 2007, to restrict FIIs and their sub-accounts from issuing/renewing ODIs (Offshore Derivative Instruments, popularly known as P Notes). SEBI acted and made the FIIs wind up their current positions over 18 months. P Notes by then could not exceed the 40% limit of an FIIs asset management. And now under the

impact of the serious crisis worldwide the SEBI has lifted all restrictions on P Notes against securities, including derivatives, as underlying assets. The limit to PNs up to 40% of the FIIs has also been done away with, in the name of strengthening liquidity in the market. This has massive ramifications for the market as the flight of such capital could create a serious balance of payments crisis. PNs encourage multilayering, which will make it difficult to identify the ultimate holder.

In fact after the onset of the crisis the FM has acted to open up the economy even more to foreign capital by doing away with curb on P Note, raising NRI interest and now Nov. 25) announcing that it will announce a series of drastic new policies taking ‘reforms’ even further.

The Finance minister P.Chidambaram and Prime Minister Manmohan Singh ultimately haltingly admitted in the third week of October 2008 that the Indian markets would be indirectly affected by the global cash crunch. Like the Prime minister the finance minister too lied on 1st October: “the Indian market is sound and there is no need to panic.” But the forthcoming election-oriented statements could not cover up the depths of problems India have been reeling under. That India is also heading towards a recession is what the Indian cheerleaders fear to say. Bullish economists even do not to believe India’s

increasing downswing. They expected till the other day a 9% growth in 2009. The slowdown in industrial performance has now forced the RBI to ease interest rates to improve liquidity and has lowered its overall growth forecast to around 7.5% for the current year from 8% estimated earlier. The IMF report issued in end October 2008 predicted that developed countries would be facing recession in 2009. The IMF estimated the rate of global growth to slow to 0.2% in 2008 and further down to 0.09% in 2009. And about India’s growth the IMF estimate is that it would come down to 6.3% in 2009. In the age of globally linked economies India can not stay afloat while the entire capitalist world is sinking. Bankruptcies, scandals, scams, meltdowns, bailouts and trauma that have enveloped the centers of the capitalist/imperialist system cannot allow India, which has been dancing to the tune of imperialist globalization leaders, to be immune.

It is a fact that the imperialist will try and shift the burden of their crisis on to the back of the third world countries like India, with our comprador rulers faithfully bowing to their dictates. It is then not surprising that P.Chidambaram has been announcing concession after concession to foreign capital after the financial deluge began. Now he has promised the biggest opening up ever. What devastation it will entail for the country and its people can only be imagined. P t

FACTS NAIL FALSE PROPAGANDA ON INDIA'S CRISIS FREE SITUATION

Dr. Gupta

FROM the finance minister, Chdambaram to Prime Minister Manmohan Singh, all have been throwing assurances of safety from the recession in the Western capitalist economies. Simultaneously, the CPI (M) leaders have been patting their own backs that the "Left" alone could save India from the jeering reaction of the entire capitalist world. Thus, in a round about way, it is implied that India has developed its protective shield to withstand the impact of the massive crisis in the capitalist economies despite pursuing the imperialist globalization policies. Presentation of such an optimist scenario is not only false, it is misleading.

The IMF Chief, Mr. Dominique Strauss-Kahn had this prediction in October '08 *"The financial crisis which started in the United States is more serious and more global than it was a few weeks ago. The risks and dangers are very high. The economic environment is still worsening. US woes will impact other economies and will require a global answer."*

There lies the fact of downswing of all the so-called developing economies of Asia with tremors in the share markets and crisis in internal debt management. The crisis has been felt to a serious extent in the economies where foreign investors have made considerable inroads in the banking sector. However, it is a fact that all Asian economies have not been equally affected despite following various levels of globalization policies. Thailand, Malaysia, Hong Kong, Philippines etc, have been surpassed by India in its receiving the impact of this crisis. And this does not prove that those countries did have the CPI (M) like "Left" forces that helped as a cushion against the global meltdown.

Crash of the Stock Exchange

Between January 10 and October 10, 2008, Indian investors in the stock exchange have suffered a loss of over Rs.36.5 trillion. Reliance Industries in this short period witnessed a market capitalization fall from Rs.2.96 trillion on January 10 to Rs.1.51 trillion on October 10, ADAG's (Anil Ambani) value in the same period dropped from Rs.1.883 trillion to Rs.775.246 billion, Bharati Group from Rs.

830.70 billion to 594.51 billion, DLF Group from Rs.1.71 trillion to Rs.423.33 billion and Wipro Group from Rs.566.16 billion to Rs.305.90 billion. (Business Economics, October 16-31, 2008)

According to Sunday India, 26, October, 2008 issue, Rs.1 trillion is the wealth eroded by the top ten listed Indian firms on BSE on market capitalization; and FIIs withdrew Rs.37.62 billion from the market in one week in the middle of October.

It is wrong only to point out the great shock wave in the share markets in India as shown in the tumble down of the Sensex from about 20,000 point in February to about 8,000 point in October end. For the past one year or more the much-talked about 10 percent growth as a measure of India's rise to be a global power has been forgotten. Inflation rate touched 12% in the whole sale market while in the retail market, the economists suggest, the reality is more than 20%. In other words real growth rate is negative as the growth rate is less than the inflation. The current account deficit has been on the rise and now the foreign currency reserve has significantly dwindled, so also the value of the Indian rupee is waning day by day. And most of all industrial growth has seen a downturn.

The FII has made India its playground, its withdrawal on a massive scale sensing down slide led to a big jolt for the share market. Foreign investors too are fleeing from this country for better pastures. The Indian share market that got unusually swollen over years even dwarfing the main areas of the economy has been sliding down with no bottom in sight. Similarly, India has now seen a drastic devaluation of its currency, to the extent of about 25% between January 2008 and October 2008. On the other hand, as a consequence of selling the US dollar between March 2008 and the first week of October 2008, the foreign reserves have drastically come down in the first week of October.

In the first week of November 2008 it was known that the foreign exchange reserves continued to decline for the sixth consecutive week, falling by \$5.532 billion to touch \$252.883 billion for the week ended October 31. The reserves had fallen by more than \$31 billion in the past one month.

According to *Business World* (3, November '08) FIIs have taken out \$12 billion this year and more outflows are in the offing and fresh capital inflows are drying up.

Impact on the Banking Sector

We are yet to learn the gravity of the problem in India's banking sector. The Indian government has not disclosed as yet the losses suffered by banks as a result of this global crisis. Right now a good many foreign banks are in operation in India with a considerable network. At home those foreign banks and insurance companies are sinking and naturally the investors and depositors in India will be thrown in dire straits. Simultaneously, the non-banking mutual funds, various financial institutions and big industrial concerns have been already hard hit as they operate in the currency and share markets in India. The real impact is unfolding and it must be kept in mind that the cumulative jolt on the Indian economy is the result of external and internal deformities.

There is intense social pressure against the pro-globalization lobby, determined to introduce "reforms" in every crucial sector of the economy. The deputy chairperson of the Planning Commission, Mr. Montek Singh Ahluwalia, who has been a vocal supporter of the "reforms", has now tried to dispel fears saying, *"We have not been exposed to these new and innovative instruments, which have been the source of financial distress internationally."* Under pressure of the IMF and World Bank such people wanted full-fledged financial sector liberalization and now feeling the overall market vulnerability they try to hoodwink the Indians. India is vulnerable to every aspect of the international speculative financial system. We have with us the Planning Commission inspired Raghram Rajan Committee's forceful recommendations for full capital account convertibility, entry of foreign institutional investors (FIIs) into currency and interest rate derivatives, lessening of government control over financial sector institutions and, more dangerous, i.e. allowing more foreign banks and freeing branch banking norms. There have been a constant opposition to such "reforms" and the

Congress regime with or without the “Left” pillar or the earlier BJP dispensation; every government tried its best to pursue the “reforms”. Yet full-fledged “reforms” as prescribed by the imperialist masters could not be possible for growing protest and opposition by the people and various organizations and unions.

In the financial sector some policies about which the common people are much less aware were adopted making the economy vulnerable to the current financial crisis. India is not insulated from the global turmoil. A high-level of short-term debt caused havoc in the earlier Asian crisis. India’s short-term debt had remained at a low level of 2 to 7 percent of the total external debt for many years, but now it has already jumped to 20% in March 2008. The Indian financial sector belies the statement of Mr. Chidambaram or Monteksingh Ahluwalia that the financial sector in India is not so exposed like in the US. Facts tell us that the new and innovative instruments of securitization that have caused havoc in the USA have also been introduced in the Indian market. Banking sector reforms that the globalization lobby pushes for, could be materialized in part only due to pressure from the public sector banks and society. Yet the institutional structure of banking has not been fully “reformed” as over 70% of bank assets are held by public sector banks. This has somewhat restrained the devastation.

The burgeoning private banks like ICICI have lost a lot for reckless lending to real estates, commodities, and larger foreign exposure. The newly introduced expansion of hedging facilities, allowing relaxation for small and medium sized enterprises (SMEs) “without underlying exposures or past records of exports or imports” has already opened an unrestricted ground for huge amounts of hedging. The full details of such hedging losses are yet to be known. According to Jamal Meeklai of Meeklai Financial Services, the MTM losses of banks and corporate sector is in the range of \$3 billions to \$5 billions (Rs.12,000 crore-Rs.20,000 crore). The UPA government has now been in a trouble. It cannot check the inflow of FII and various financial instruments to keep the crashing speculative markets afloat but it is also forced to go for some regulations on the line of the US or European countries. But such a country like India with the stable dependency on FII, FDI,

World Bank, MNCs, etc, will certainly sink further.

In the present crisis, the PN notes play a greater role. They now leave the country due to global liquidity crunch. The PN notes are the Mauritius - routed mysterious money “washing machine” called Participatory Notes. PNs don’t require confirming to SEBI regulations or complying with international standards of disclosures as to who owns it and how it was paid for. More than 55% of the foreign fund inflow comes from these PNs. This results from the ability of the original PN holder to sell them to other players, whose identity will generally be unknown.

Impact on Foreign Trade

Over the past one decade, the centre of the world’s growth story was based in the US economy. The growth story in countries like India was obviously the growth of a small minority and the US economy in particular helped drive this growth even deviating from the fundamentals of capitalism. The role of the US is found to a considerable extent in the widening external deficit of the US. The current account deficit was around \$140 billion in 1997 or 1.7 of the GDP of US. It soared higher and higher to over \$800 billion or 6% of its GDP in 2006. This situation of unprecedented current account deficit helped several countries to grow through the export of their goods and services in the US market. The increasing amount of current account deficits also meant that the US economy became hugely indebted. Yet the growing indebtedness of this highly developed capitalist economy was sustained by huge capital flows into the US from rest of the world. Billions of US dollars of the FIIs and through other mysterious channels had driven India’s so-called growth for a period of time with export/import rising to 40% of our GDP. But imports have been far exceeding exports and so the current account deficit reached a record \$10.7 billion during the first quarter of 2008 despite a weakening rupee.

Industrial Slowdown

In the impact of this enormous crisis India’s industrial growth drastically slowed down in the past 12 months. In the beginning of 2007 it peaked at 14% and has been declining since. In August 2008 it was close to zero and in the following months the scenario has remained dismal. Industries of

basic goods and intermediates comprising industries like steel, cement, oil, aluminum. Plastics, etc, have borne the brunt of the crisis. Consumer goods too have shown a slowdown. Stocks in sectors like real estate, power, metal, banks, etc, had lost a whopping 70 to 90% from January to October’08, during this period of meltdown. According to the BSE source during the period from 8th January to October ‘08 returns in stocks plunged to -8.9% in real estate, -74% in Power, -81% in Metals, -68% in Banks, -67% in Oil& Gas, -71% in Capital Goods. [The Times of India, November 10, 2008]. Mutual Funds have lost over 80% of their net worth. The sectors which received the maximum heat of the global crisis are the capital intensive ones like construction, aviation, etc, and especially information technology which heavily depends on the US and financial markets.

A study by the industry body, Assocham released in November, 9, ‘08 tells that Indian exports are likely to miss targets by 20% in the dampening effect of the global meltdown. The liquidity crunch is terribly felt in each and every sector. The progressive lack of demand as a fallout of recession has severely hit the automobile market in India with all the six giants like Maruti Suzuki, Honda Seil Cars India, Tata Motors, Hero Honda, TVS Motor, Bajaj Auto seeing tumbling sales of their products. On November 7, 2008, TVS Motor chairman and managing director, Venu Srinivasan described the current crisis as worse than the World War II, needing “at least other Rs.80,000 crore to be infused in to the system to prevent small tier II and III companies from going bankrupt.” Hard statistics shows that the numbers of cars, etc, sold, as recorded, in October 2007 and October 2008 were signs of a definite fall. For Maruti Suzuki it was 69,415 and down to 64,490, for Honda Seil Cars India it was 5,287 and sliding to 1,476, for Tata Motors it was 27,103 in October ‘07 then in October ‘08, 19,154, Hero Honda (Motor cycles and Scooter) it was 3,65,022 then later in October ‘08, 3,52,449, TVS motor it was 1,29,614 in October ‘07 and 1,17,101 in October ‘08 and for Bajaj Auto it was 2,48,307 and 1,63,850 respectively. [Anand Bazar Patrika, 8 November, ‘08]. Other corporate auto-mobile industries have been similarly affected.

The economic slowdown in India as felt terribly in the last quarter of 2008 has hurt

companies across industries forcing many top rankers to cut production, opt for reduced working hours and working force. On November 7, Tata Motors confirmed the shutdown of its Pune unit for six days this month, which will follow a 3-day closure of its Jamshedpur plant. Ashok Leyland drove in tandem, slashing its weekly working days to three. On November 7, JSW Steel opted for a 20% cut in output in this month. Another steel maker Essar also confirmed reduction in capacity utilization. Grasim Industries, an Aditya Birla Group company, had cut production of Viscose Staple Fiber by about 30% of its capacity. Cement manufacturers have reduced capacity utilization to about 85% because of sharp fall in demand from the realty sector which consumes about 55% of the total production of 200 million tones. Petrochemicals major, Reliance Industries is posed to make rationalization plan of price structure to align with input cost and slowdown in demand. Similarly, hit by a slump in demand, corporate houses across sectors such as aviation, shipping and infrastructure have been forced to take a slew of measures like putting expansion plans on the back burner, pruning of capacity and work force. The hardest is the IT sector, the much talked about sector in the past one decade or more, for its exposure to foreign banking and financial services (40% of industry's exports). It is a great fall across the board and the crisis of capitalism does not spare even the giants.

Economic Crisis and the Enormity of Fresh Job Losses

Some economists have estimated in the first week of November 2008 that the fall out of the current financial crisis will throw as many a 10 lakh working people from jobs in India. According to *Business World* (3 November 2008) study nobody knows exactly how many jobs have been lost in India since the Sub-prime hit, estimates run into several million. Unemployment problems became acute under the globalization programme since 1991. The cascading effect of the crisis of world capitalism in India has been agonizing for the millions of working people. While jobs are being drastically cut, fewer jobs will be created now. In the IT sector, manufacturing and the service sector in particular, retrenchment on a large scale has already started. The jittery prime minister appealed

to the corporate houses not to retrench but this economist prime minister and father of the globalization programme in India knows too well that profit-greedy corporates can not listen.

Tatas has recently shown the door to 700 casual laborers in Telco. In the knitwear industries in Tirpur about 20,000 are to loose jobs due to plummeting exports. Investment bank Goldman Sachs is the latest, in the first week of November, '08, after American Express, Merrill Lynch and Credit Suisse, to trim their payrolls last fortnight. It is learnt that Goldman Sachs has cut nearly 10% of its 2,300-strong work force in India that is in the bank's BPO (Business Process Outsourcing), KPO (Knowledge Process Outsourcing) and investment banking business.

American Express is a big name in the banking sector of India. The intense financial crisis has impacted it so much that it has decided to reduce its expenditure in India and retrench 10% of its Indian staffers. This amounts to a huge number of 7,000 heads. As part of this process already 100 have been laid off in various branches and in January 2009 another installment of 150 heads will be removed and this will go on till the quota is complete.

Similarly, Morgan Stanley too has reduced its headcount in Indian business. Boston based Fidelity Investments will cut nearly 1,300 jobs in India in November 2008 itself. Sources said more lay offs are coming early next year. Fidelity has mutual funds in India (Telegraph, 8 November, '08). The worst victims are probably in the IT sector which has already seen 10,000 layoffs in the year 2008 till October end. Jet Airways and Kingfisher announced laying off altogether 1,900 employees in October, '08 but withdrew the sack order under pressure and has taken back the staff at less than half their earlier pay. Air India is reported to offer 15,000 non-operational staff leave without pay for three to five years. Already the pay packet of Air India staff has been reduced.

Until January '08, job creation was running at about 2.3%, leaving 1-2 million unemployed every year. It is now only about 1.3%, a study says. The pink list shows that in the tumultuous situation the export sector has job losses as high as 30 lakh, engineering 1 lakh, and IT companies like Satyam has trimmed 1,500, Wipro 1,000, TCS 500. Others like Patni Corp. have shown doors to 400 employees, Kingfisher 300, Virtusa 200 and

Quark 170 in this crisis.

This is the depressing scenario everywhere in the organized sector but the lay offs in the unorganized sector employing scores of millions cannot be estimated so early. India will face a worse fate with its declining growth rate and if it stands at 7% there will be as many as two million fewer jobs. Already there is a deceleration in employment growth to 1.925 per year from 1993-94 to 2006-07 from 2.61% between 1983-1993-94 due to a sharp drop in job-creation in agriculture. It has been observed by economists that there is a sharp decline in the employment elasticity of India's growth or the increase in employment per unit of GDP to 0.28 from 1993-94 to 2006-07 from 0.52 over the years 1983-1993-94. Applying the elasticity of 0.28 to the likely GDP growth rate since 2007-08 to project employment provides an average of eight million-odd work opportunities this year and the next. If GDP growth ratio falls to 6% or below this situation will be more critical. Even the eight million-odd work opportunities are two million short of ten million of opportunities generated during each of the past five years. And it was obviously a poor performance of an economy that will worsen further under the impact of global meltdown.

FM Warns of more Reforms- Greater Disaster

After the first tremors of the Sub-prime crisis the RBI immediately responded with some seemingly light steps that soon proved loose enough for a faltering economy. And now to please the corporate houses, relatives, etc, the jittery RBI cut banks Cash Reserve Ratio (CRR) – the balances the banks keep with the RBI to meet daily cash and payment requirements – and the rep or repurchase rate (the rate at which it lends to the banks against collateral of government securities). But the liquidity situation still remains grim Shortage of funds after the crisis has already plagued the realty sector and automobile sector badly. Banks are having nightmares and have tightened their grip on credit card distribution and increased the annual interest rate on credit cards by over 50%. The Confederation of Indian Industry (CII) has sought steps for induction Rs.1 trillion into the economy and the cutting down of cash reserve ratio (CRR) by another 150

Continued on page 10

THE LOOT OF TRIBAL LANDS BY THE CPI (M) GOVERNMENT FOR THE JINDALS AT SALBONI

AFTER the faltering 'industrialization' and 'development' bid of the 'Left' front government in Singur and Nandigram in West Bengal, Salboni in West Midnapur district is the next name in the so-called industrialization process under the imperialist globalization in Bengal. 'Left' front went a step ahead after Singur and Nandigram's forcible land acquisition episodes and handed over 4,500 acres of government's vested land and forest area to the Jindal Group. Taking en-route of deception another 500 acres of land were bought from the tribals by the Jindals for their upcoming 35,000 crore rupees mega steel factory (JSW Bengal Steel Limited) on 5,000 acres of land in total. Here a relevant matter that comes up is that tribal land is not transferable legally and transfer of right of the forest area is unlawful as well. But to the utter amazement of the people of Bengal, the whole process took place and the tribal welfare department and the forest department maintained a studied silence. And the most amazing fact is that in 32 years of so-called Left Front rule in Bengal **this vested land remained vested and instead of distributing the land to the poor landless tribals it was handed over to the steel tycoon.** Jindals had their foundation stone laying ceremony of the project on 2nd November, 2008. The ceremony wore the look of a CPI (M) party Congress or party's State Conference as the entire ceremony was organized by the CPI (M). The red scaffold at the entrance of the venue bore the word of CITU written in the middle with 'Seipa chhai' (we need industrialization) slogans inscribed on both flanks. DYFI flags were fluttering all over with unplugged enthusiasm of the party leaders and cadres taking care of every tit-bit, even of the invitee list for the programme. Nothing was amiss as in a CPI (M) party's conference with placards, posters, festoons, banners flags all over. Central minister of Steel, Fertilizer and Chemicals, Ramvilas Paswan attended with the West Bengal Chief Minister Buddhadeb Bhattacharya, Trade & Industry minister Nirupam Sen and other left front and Congress ministers.

In a difficult situation of global meltdown when the crisis is being felt all over the globe and international steel market is at its new low, Sajjan Jindal, owner of Jindal Steel Works, Bengal made pious platitudes to the poor tribals and people of Bengal. His 35,000 crore steel factory with a capacity of producing 1 crore tones of steel annually will come up in three stages. According to him, as published in the CPI (M) mouth piece (Bengal daily, *Ganasakti*, 3-11-'08), within the year 2012 the plant would produce 30 lakh metric tones of steel and it will be gradually doubled to 60 lakh metric tones by the year 2015. It claimed they will reach one crore metric tones per annum by 2020, rendering direct employment to 5,000, 12,000, and 20,000 respectively and will create double the number of indirect employment. Henceforth, in an attempt to clarify his fake transparency on buying the land from the tribals and rehabilitation issue, he said, they were cautious enough while making the layout of the plant and tried to save village land and homesteads. One member of each family that parted with their land will be given employment in the plant after putting him in to training. The so-called land givers have been "compensated" and given company shares which can be sold after the plant starts production on a commercial basis. Moreover, they verbally assured, projecting themselves as social reformers, coming out with dollops of promises that the ICFAI of Kolkata is making arrangements for the training of the local people of Salboni for their employment; syllabus for the training is being prepared. Their generosity can not leave village girls from employment opportunity and so BPO centers have been promised to be set up at the earliest for their employment. Even they had made arrangements to give out health services in Salboni through NGOs. An ambulance has also been arranged. Arrangements for setting up of animal husbandry and watershed schemes are also said to be there in their agenda to carry on their corporate social responsibilities.

Praises were showered by the CPI (M) on the Jindals for their so-called show of responsibility for the society in the hour of global inflation and crisis in the international steel market. No stones were left unturned by the "Left" front's Chief Minister Buddhadeb Bhattacharya and Trade and Industry minister Nirupam Sen in projecting them as the trend setters in carrying out their social responsibilities. They would have us believe that the steel tycoon is here not for profitable business interest but for serving public interest. The capitalist friendly Industry minister and Central Committee member of the CPI (M) in justification of the huge plant took refuge under the clichéd logic: Employment generation through industry, increase of employment and then the resultant widening of market and once again the widening of the scope of industrial development. [*Ganasakti*, 3-11-'08]

Such people never disclose the fact that the circle of this logic has gone stale in a country like ours at this stage of decaying capitalism. The Chief Minister Buddhadeb as an agent of imperialist globalization echoed the same as he did before; he could visualize thousands and lakhs employed through this 'industrialization process'. So he turns a blind eye towards lakhs and lakhs of displaced farmers and tribals and their indescribable distress. He bases his arguments on imperialist globalization that has already been in the doldrums. So, barely a week after the jamboree in Salboni, Mr. Buddhadeb made such a notorious comment at a corporate chambers meet that "it (globalization) is a must". Thus it is apt to say in this context that he finds forcible land acquisition inevitable for the smooth inroads of imperialist globalization.

The impact of the global crisis has already sent tremors in the Indian service sector. Corporate houses have now taken to mass trimming of working heads, cut down in wages or pay packets, shutting down of industries, stopping production capacity, etc. Since Buddhadeb

Bhattacharya's assumption of office as the CM in 2001 till 2003 in West Bengal 12, 06,086 people lost jobs and in this period only 25, 149 people got absorbed in to jobs (including jobs on casual or contract basis). From 2004 to 2006 a total of 4, 24,000 were shown the door while only 84,000 people could land jobs. Between 2007 and 2008 the situation has obviously worsened, belying the scope of a modest job generation in a serious economic crisis. As a whole, when the total industrial scenario is dismal, West Bengal's 'Left' front government is crying out aloud about lakhs and lakhs of employment generation. But ironically enough, the CITU supremo Mr. A.K. Pardhe recently wrote to the Prime minister, Mr. Manmohan Singh to stop trimming of employees. The Prime minister however, is busy fulfilling the wish list of the corporate lobby in several ways by cutting in repo rates, providing liquidity to the share market, increasing the FDI investments in the insurance sector from 26% to 49% and so on. But the corporate houses turned a deaf ear to his appeal to avoid retrenchments. Keeping an eye on the level of their profits, they resort to closures, cut down in wages and salaries, retrenchments. The 'Left' front in Bengal puts forth its faith in such corporate tycoons and gives it a label 'development'. A point to be noted here is that very recently, that is on November 7, 2008, JSW Steel which is projected as a savior of Bengal, opted for a 20% cut in production.

The most awesome fact is that the game of deception is terribly found in calculated silence in not clearly disclosing the SEZ status given to the Jindal Steel Works, Bengal. For the last two years the Jindal Group had discussions after discussions with the 'Left' front government on various issues of the plant, but the Jindals and the government showed no effort to make the people of Bengal know about the SEZ and kept the people in the dark. All of a sudden on 24th August, 2008 the government of Bengal declared That Jindal Steel Works, Bengal as an SEZ project. SEZ; Special Economic Zone, exactly what it means is the formation of a 'foreign country within the country', where no civil laws or industrial laws of the country will be applicable. The

right to movements and strikes will be snatched away. Commodities purchased for the project and the produced commodities of the project will be free from any type of taxes. The plant will enjoy the facility of getting water and electricity free. Jindal Group will enjoy the right to export the entire production of steel of the Salboni plant to foreign countries, i.e. other countries, mostly in the West, will be benefited. These types of steel plants are dangerously harmful for the environment, even though no existing environmental law will be applicable to the project. So, the nearby Subarnarekha river and the total forest of Bankura-Purulia-Midnapore will be dangerously polluted.

On the question of compensation package for the land owners, the Jindals tried to project themselves as 'avtars'. Being a party to their deception, words of high appreciation came in plenty from the ministers of the 'Left' front government of Bengal. In fact, compensation package fails to be clean or clear. The tribals, innocent and mostly illiterate, were befooled by giving them 3 lakhs of rupees for 1 acre of land, 1,50,000 in cash and the other one lakh and fifty thousand through company shares. The records of this will remain with the district magistrate. Shares might be sold out after the plant starts its production on a commercial basis. Here lies the fraudulence. In times of such an international monetary crisis, the fall in the international steel market, with the shut downs and curtailment of productions of corporate house, when everything is uncertain whether JSW, Bengal plant will ever start production or only remains as a iron ore processing plant. Secondly, the other factor is that in this international crisis scenario profit making is rather in question. If Jindal Steel tycoon doesn't gain profit, how come the land losers with company shares will gain profit? Therefore the issue of company shares to the land losers is questionable in itself. The start of production in the plant is doubtful, let alone the fulfillment of promises for jobs in thousands by the Jindal Group in the Salboni plant.

Our country is rich in mineral wealth. We have iron ore in abundance, approximately 2900 crore tones. As there is no national policy regarding iron ore;

most of it is getting exported at an unreasonably cheaper rate, instead of being used in the country itself. Bringing the internal brawl out in the open, the Central minister of steel, fertilizer and chemicals, Mr. Ramvilas Paswan charged the mining minister with delaying the formulation of a national policy regarding iron ore. He said, "On the question of iron ore the steel ministry is not all in all to do every thing. Mining ministry too has a special role to play" (*Dainik Statesman*, 3-11-'08). At present six crore tones of steel is produced annually. The central government wants to jack it up to 2 crore tones by the year 2020. But the reality is that with the crashing real estate and infrastructure sectors and with no national policy on iron ore steel will get increasingly exported at abnormally cheap rates.

The steel tycoon Jindals will actually export steel from Salboni for the rich capitalist countries. The huge noise over 'industrialization' and 'development' is only a hoax. The target of the 'Left' front government is to hand over forest land, water and valuable minerals to the native and foreign corporate houses to smooth the imperialist globalization process. Singur and Nandigram bore the brunt of the said process. About 997 acres multi-cropped land as forcibly acquired by the CPI (M) government, unleashing large scale terror and repression for the Tata's small car factory. Tata Motors shifted its factory from Singur to Gujarat with a dubious aim. The highly fertile Singur land has been rendered uncultivable and still lies in the possession of the Tatas. Ratan Tata now says that the land will remain in possession since the lease fees have been paid for two years in advance. In Nandigram, the state-sponsored genocide was organized to grab the land for a huge Chemical hub to be built by the Salem Group of Indonesia. The historic resistance by the brave hearts of bleeding Nandigram foiled this conspiracy and the struggle is still on against CPI (M)'s goons and state police forces. Now the 'Left' Front has set its eye on Nayachar, an adjacent island to set up the dangerous chemical hub. The tribals of Salboni are getting aware of the conspiracy and the Jindals await a Nandigram type resistance in coming days.

P t

UPRISING IN LALGARH

As we go to the press the tribals of Salboni, Lalgarh broke out in a veritable uprising against the police repression unleashed after the bomb blast that injured six security personnel of Ram Vilas Paswan. We reprint below reports from the daily paper Statesman during that period:

On Nov 20th the Statesman reported: *When the Midnapore West district police are in two minds over attending a meeting tomorrow called by the Police Santras Birodhi Public Committee (PSBPC) of Lalgarh at Dalilpur Chowk, an interior village in Lalgarh, on security plea, the CPI (Maoist) held a day-long meeting on Singlohar Hilltop at Laljal, 25 km from Belpahari town, today.*

The PSBPC and police meeting would discuss the former's 11-point charter of demands to pave the way for restoring normality in Lalgarh, Jhargram, Binpur and other areas by lifting their 16-day agitation. In the Maoist meeting, organised for the first time in broad daylight, unlike previous occasions, the outfit is believed to have prepared a blueprint on the Lalgarh issue, in which a good number of heavily-armed action squad leaders, including some women members, were present. The meeting was an open challenge to the police as two camps of the Central forces are situated at Niguria on the east and at Jamtalar on the west, each about 5 k.m. from the hill site.

A 15-member team of Maoist cadres from Lalgarh riding five two-wheelers are also reported to have attended the meeting. Later, at a public meeting in the afternoon, which was attended by about 10,000 people from 40 or 45 villages of Belpahari and 15 or 16 villages from adjoining Barikul block, speakers charged up the villagers mentioning cases of police torture on innocent people in Belpahari, Binpur and Lalgarh areas of the district.

They were reminded that as many as 87 such cases had occurred over the past 10 years in the district and there were seven rape cases in Belpahari block. But the police did not entertain the complaints as ruling party cadres were involved. Reminding the villagers of their political line, the Maoist leaders asked them to join the agitation against police torture and not to have truck with any political party.

Meanwhile, the ongoing agitation in and around Lalgarh was further enhanced with a stretch of road between Lalgarh and Midnapore at Brindapur Nad being dug up on the state highway and at Harda in Binpur, cutting off Jhargram from Bankura and Durgapur and also the Sarenga-Midnapore Road at Goaltore.

Only yesterday, the state home secretary had said that investigation would be conducted against police excesses in Lalgarh, if specific complaints were received. This seemed to have added fuel to fire.

Since 15 days the areas of Lalgarh have virtually been witnessing an uprising which slowly spread to neighbouring areas. In Nandigram style the tribals have blocked off the entire area by digging up the roads and felling trees. The state could not enter the area. The situation turned so desperate that the local SP demanded a transfer, and when this was not granted he resigned and went to the press. The police chief appeared on TV saying they will not talk to the tribal leaders in Lalgarh area but only outside.

Nov.13th Statesman reported : *Meetings between the Midnapore west district administration and the leaders of the agitating Sara Bharat Jakat Majhi Madowa Juan Gaonta to restore normalcy in Jhargram, Lalgarh, Binpur and Jamboni blocks of Jhargram subdivision failed this evening.*

The ADM who convened the meeting urged the Majhi Madowa leaders to lift the blockade in an around Jhargram town, which has been isolated from the rest of the state since last night, immediately. They were also requested to lift the blockades at Lalgarh and other other places on Friday. It was also decided that the Majhi Madowa leaders will be accompanied by the police during raids as they demanded.

The ongoing agitation by the tribals in Midnapore has led to a collapse of civic life in most parts of Jhargram sub-division and has terribly affected those in Lalgarh, Binpur, Jhargram and Jamboni blocks. Supply of essential commodities in remote areas has been choked after the roads were cut off by the tribals on Sunday last.

Tree trunks have been dumped on state

highway 9 thus blocking the way, electricity and telephone lines have been disconnected ~ particularly in Lalgarh. The people of the area are this facing severe communication and security problems over the past eight days.

This stalemate has given rise to several questions like, who governs the area? ~ the civil administration or the indigenous people under the banner of the Sara Bharat Jakat Majhi Madowa Juran Gaonta, an adivasi organisation, run by the Maoists behind the curtain.

The charter of demands placed by the organisation leaders at least indicate so. They have demanded that all cases filed against the "innocent" natives of the area between 1998 and 2008 be withdrawn and the tortured families be duly compensated with unconditional release of the detained people, including those in 2 November blast case. Besides, their other demands included, Lalgar policemen who tortured the Adivasi women of Lalgar villages during raids in connection with the 2 November landmine blast be punished and the superintendent of police, Mr Rajesh Kumar Singh seek pardon in public from the villagers for the atrocities committed on the affected. Also, they be assured that during raids women won't be tortured.

On Nov.15th the Statesman reported : *One person was killed by suspected Maoists in Midnapore West district even as police released seven persons arrested for the Salboni mine blast, a key demand of the agitators.*

CID today submitted a petition in the court of the Midnapore West chief judicial magistrate desiring to withdraw the charges against seven of the 10 accused in the recent landmine blast near Midnapore town as "no evidence" of them having Maoist connections was found, DDI Mr Purnashib Mukherjee said. The CJM, Mr NN Dasgupta, will deliver his judgement in this regard on Monday. Earlier, those accused were granted bail by the CJM on the same ground. The seven include three school students, three Jharkhand Party activists and a Trinamul Congress activist. However, the blast charges against Mr Bhagwat Mahato, a Jharkhand Party gram panchayat member, Mr Sunil Hansda alias Rimil, also a JKP activist and Mr Lakshiram Murmu,

Trinamul man, stand.

Earlier, the body of Ashok Halder, a ration dealer, was found near Dhulabheda, a village near Belpahari, where the nine-day-old agitation spread during the day. Halder's head was found crushed, the police said. Though locals suspected that Halder was killed by Maoists, police remained tightlipped on who carried out the murder.

On Nov. 16th the Statesman Reported: The eleven-day agitation spearheaded by locals under the banner of the Sara Bharat Jakat Majhi Madowa Juran Gaonta, a Santhal organisation, has disrupted normal life completely in Lalgarh, Binpur, Jhargram, Jamboni and Belpahari blocks of Midnapore West.

Locals have been protesting against police atrocities in the villages of Lalgarh. The agitation spread to Goaltore, Garbeta, Salboni, Gopiballavpur and Nayagram blocks with the Jharkhand Disam Party calling a 12-hour bandh in the district today.

Buses between Midnapore town and to the troubled areas were off roads and shops and market remained closed. However, the bandh impact in Midnapore town, Kharagpur and adjoining areas was damp. Traffic on NH-6 was disrupted as the Kurmi Chhatra Yuva Sangram Committee blocked the highway at Lodhasuli point in Jhargram for about an hour from 2 pm.

Meanwhile, Jhargram is still inaccessible as the Lodhasuli-Jhargram Road has been blocked with tree trunks dumped at Kalaboni and Belpahari-Jhargram Road. The tree trunks will not be removed from different points on the road till a settlement is reached between the administration and the agitators, protesters said. The all-important meeting in this regard between the Police Santras Birodhi Public Committee and the district administration is scheduled for Monday at Dalilpur in Lalgarh. Power services were restored in Lalgarh today, 10 days after it was disconnected by the agitators.

On Nov 17th the statesman reported "As the Midnapore West district administration refuses to concede to the demands of the Police Santras Birodhi Public Committee (PSBPC) or solve the Lalgarh imbroglio, a parallel administration is springing up in the district.

The PSBPC is forming "Gram Committees" (GCs) in the villages of Belpahari, Binpur, Lalgarh, Jamboni,

Salboni, Goaltore and adjoining blocks, akin to those run in Andhra Pradesh and Chhatisgarh by Maoists.

The PSBC today announced the formation of 65 GCs in Belpahari block, with more coming up soon, each comprising 10 members, five men and five women. A decision in this regard was taken at a meeting of the CPI (Maoist) at a meeting in Laljal, Belpahari, yesterday.

Over 85 GCs have been formed in Lalgarh block while those in other blocks will be formed gradually.

The whip of these GCs would act in governance of the villages where no development activities will be allowed to be undertaken by the government without their clearance, however lofty be the packages as hinted by the state government. Neither police nor the district administrative officials would be allowed to enter the villages without the permission of the GC to their "free zone" thus formed on the lines of those made in Andhra Pradesh and Chhattisgarh, the announcement stated.

In a bid to run the parallel administration through GCs, their long-cherished goal, the PSBPC united the rural folk through prolonged mass movement over their one-point agenda ~ "police terror". Blueprint of this parallel administration through GCs was tactfully made through systematic blockade by rampant digging up roads and dumping tree trunks on communication networks to stonewall the entry of police and the administrative officials into the villages for days together.

Hence, it is clear that the days ahead will be tough ones for the administration to implement government programmes by overcoming the great challenge thrown by the PSBPC and the GCs. Meanwhile, Jhargram, Lalgarh, Belpahari, Binpur and Jamboni blocks remained cut off for the 17th consecutive day today as police did not venture in to meet leaders of PSBPC at Dalilpur Chowk, a remote village in Lalgarh block.

Meeting not held

The all-important meeting between the district administration and PSBPC leaders to discuss the 11-point charter put forward by the latter could not be held today following a tug-of-war between the two sides over the venue, dashing hopes to end the 17-day-long stalemate over the Lalgarh issue."

Nov 18th Statesman: Hours after the

Midnapore West district magistrate declared yesterday that the thirteen-day long agitation of locals ~ under the banner of Sara Bharat Jakat Majhi-Madowa Juan Gaounta ~ a Santhal Samaj organisation in Jhargram, Binpur, Jamboni blocks, will be called off, fresh blockades were staged at different points on State Highway 9 and other roads between Jhargram, Belpahari, Jamboni and other places.

Blockades were also staged at Belpahari, Gopiballavpur, Nayagram, Sankrail and Goaltore while a stretch of 12 km road from Belpahari to Bholabheda was completely blocked off with tree trunks being used to block the roads.

At a marathon meeting, held between the leaders of Police Santras Birodhi Public Committee at Kantapahari and a few thousand local people of 89 villages last evening, it was decided that unless their demands stated in the 11-point charter were met, the agitation would not be called off.

The demands included punishment of the policemen for torturing Adivasi women, the SP tendering apology in public and withdrawal of cases against innocent people, framed in connection with Maoist operations between 1998 and 2008 in the district.

Nov 19th Statesman Report: Three zonal CPI-M leaders were struck by arrow in the troubled areas of Sarenga in Bankura late this evening. The leaders were on their way back home to Sarulia after attending a party meeting. The leaders Mr Ranjit Hembram, former panchayat samiti sabhapati and two other zonal leaders, Mr Ramu Duley and Mr Tulu Hembram ~ were accompanying a police contingent to Nakhraphari where the tribal organisations of Bankura had obstructed the Bankura-Midnapore state highway placing tree trunks on the road. The leaders were rushed to Sarenga block primary health centre and the condition of two were stated to be critical. The tribals staged a demonstration in Mejia brandishing weapons for hours. Bharat Jakat Majhi Marawa, a tribal outfit, started the agitation in the south Bankura villages today to protest against alleged police atrocities meted out on the tribals in neighbouring area of Lalgarh.

At around 10 a.m. a crowd of about 2,000 villagers armed with bows, arrows, axe and spears brought out four separate rallies from Khoer Pahari, Nekra Pahari,

Tanti Danga and Karbhanga. They started shouting slogans against the police and blocked roads connecting Chandrakona in West Midnapore with Sarenga, Bankura. A large contingent of police led by the ASP, Bankura Mr Sishram Jhaharia reached the spot but could not do anything apprehending retaliation if an attempt was made to forcibly disperse the agitators. The blockade was cleared after 3 p.m. from Nekra Pahari and Tanti Danga but the villagers refused to clear the road in Khoer Pahari and Karbhanga. The tribals also sent deputation to the Mejia BDO to submit a charter of their demands. Around 2,000 villagers from nine tribal villages in Mejia brought out a rally causing a traffic snarl on the busy NH-60 around 11 a.m. They gheraoed the BDO, Mr Avik Das, for an hour.

Statesman Nov 20th :

Lalgarh, Nov. 21: The organisation spearheading the tribal agitation in Maoist hotbed Lalgrah tonight agreed to a meeting with the administration in any local government building and promised to lift the blockades that have cut off the area from the authorities. "The talks may be held at Kantapahari or Ramgarh, where there are schools and panchayat offices. But there is one condition: the superintendent of police has to be present," said Sidhu Soren, secretary of the People's Committee

Against Police Atrocities. "We will wait for two days for the government's response. If it does not agree, we will lift the blockade but socially boycott the police and the civil administration." The organisation had earlier insisted on talks in Dalilpur. Additional district magistrate R.A. Israel, who camped in Lalgrah today, had said in the afternoon that a "jungle raj" prevailed in Dalilpur and the talks could not be held there. "A meeting with your leaders can be held across the table, but not in a jungle or in front of thousands of people," he told Chhatradhar Mahato, a leader of the committee and brother of Maoist action squad leader Sashadhar. The blockades would be removed for "the benefit of local people", but Soren said: "We will not let any official of the district administration or the police enter the area if the talks fail." During the "social boycott", the tribal leader clarified, local people would not sell foodgrain or other essentials to the police, making it difficult for those camping in remote pockets to procure food. Only panchayats would be allowed to carry out development work and not the district administration, Soren added. West Midnapore district magistrate N.S. Nigam said the government would consider the fresh proposals. Some police officers, however, said that the "apparent

climbdown" by the tribals protesting "police atrocities" since the landmine blast on a Union minister's convoy on November 2 could be to "lure" the force into the tribal heartland. He expressed the fear that thousands could surround the officials who go for the talks and lay siege to the venue. "They might surround us and force us to announce concessions and make unconditional apologies. We'd not like anything that could provoke us to act," the officer added. Maoists have already made the island of protest, a free zone. The course of the agitation has been hijacked from local people with the rebels bringing in their sympathisers in hordes. A team of young men and women, including members of the Matangini Mahila Samiti, which had camped in Nandigram for 11 months, reached Dalilpur today. They plan to train the villagers in making the area inaccessible to the administration for a long period, on the lines of Nandigram. One of the speakers told a gathering of 3,000 people at Dalilpur: "Local people will run their own government." In a statement, CPI (Maoist) state secretary Kanchan asked the people of Lalgarh to keep their arms ready. Tribals in Bankura blocked the road to Jhargram at two more places, expressing solidarity with the Lalgarh people. P t

Continued from page 22

and no registration fee. The Modi government will also meet the entire infrastructure cost of developing roads, electricity and gas supply as well as providing an additional 100 acres on the outskirts of Ahmedabad to build a township for employees.

This is the way the Tatas burgeoned into one of the world's top rich corporate houses over years by sucking out crores of people's money from the state exchequer. The Congress, the CPI (M) led "left", the BJP none can be spared for such robbery of the people by the Tatas. Their complicity in such treachery is well known.

Now the Tata small car project is in Gujarat but the Tatas have now officially refused to return the occupied Singur land to even the state government. Their lame excuse is that the lease fees have been already cleared for two years. This is the Tata approach. Yet the CPI (M) has now floated the Nano Bachao Committee (save Nano committee) and it is now battling for

the Tatas and industrialists. The Tatas must have another game plan in Singur and it is well known to the CPI (M) leaders. Tatas have been forced to put on hold the projects in Kalinganagar and Gopalpur facing huge protests by the local peasants. Yet, they have not given back the lands. There lies the need of relentless struggle against the Tatas illegal occupation of peasants' lands.

The DFID, an arm of the British government and main fund provider to the so-called Left government in West Bengal for its "developmental" programmes, sermonized in 2004 "Business can also play a greater role in reducing poverty and creating sustainable development".

The Tatas, the Jindals, etc, all are implementing such a model of "development" displacing and destroying livelihoods of thousands of peasants with the active help of Manmohan, Buddhadeb and Modi like people and their parties. Singur peasants' just struggle continues against such grand conspiracy.

Mr. Ratan Tata wants to be a self-proclaimed teacher of the people, sermonizing them not to struggle or agitate but to fall in the CPM-decided line of destructive 'development' under imperialist globalization. There is a need for all revolutionary and democratic-minded, right-thinking people, groups and organizations to make a common cause against the Tata-Buddhadeb nexus and fight to get back the occupied land in Singur. There is a need to expose and smash all conspiracies being hatched by the Tata-Buddhadeb gang appertaining to the occupied Singur land. There is need to hold high the banner of struggle, agitation and protest against the MNCs, Tatas, Ambanis, Salims, etc. and their trusted agents like the CPM, Congress and the BJP. Revolutionaries firmly believe in people's right to rebel against all sorts of exploitation and invoke them to trash the Tata-Buddhadeb sermons against the politics of agitation, strike and militant demonstrations. P t

GOVERNMENT FACILITATES CORPORATE LOOT OF EMPLOYEES PF

THE UPA government is set to hand over vast sums of money of the working people of the country deposited in the form of Employees' Provident Fund as a saving for future security, to the private sector. The Central Labor minister recently expedited the process of handing over the hard earned savings of workers and employees – under different schemes of the Employees' Provident Fund (EPF) – to three private sector Asset Management Companies (AMCs) designated as 'Fund Managers'. The unilateral decision was made in a stage-managed meeting of the Central Board of Trustees (CBT) of the Fund on July 29, 2008.

The EPF is managed by the bodies, the Employees' Provident Fund Organization (EPFO) and the tripartite Central Board of Trustees (CBT) comprising of representatives of Employees' Organizations, Central Trade Unions and State governments. The EPF organization administers 3 schemes, viz 1) Employees' Provident Fund (EPF), 2) Employees' Pension Scheme (EPS) and 3) Employees' Deposit Linked Insurance Scheme (EDIS). It is mandatory for the workers, staff/management to contribute to this fund.

The corpus of the three schemes amounts to Rs. 2, 60,000 crore along with the annual fresh turnover of Rs. 30,000 crore under two heads, namely, the fresh account of contribution and the maturity proceeds of earlier contributions.

So long the EPF had remained a reliable security of the working people. It is known to many that the State Bank of India had been the sole Fund Managers dealing with the deposits and investments of the EPF funds. However, the pattern of investment and the rate of interest are not in the hands of the EPFO or the CBT but under the Union finance ministry. And about 80% of the corpus was so long safely parked.

It is necessary to mention that Para 52 of the EPF Scheme states that "All monies belonging to the fund shall be deposited in the Reserve Bank of India or the State Bank of India or in such other scheduled banks as may be

appointed by the central government from time to time or shall be invested, subject to such directions as the central government may from time to time give". For some years past news has been around that the Provident Fund is going to be placed in the hands of corporate entities involved in the speculative market.

In the period of LPG the private sector had been pushing on the policy makers on the EPF monies as well. In fact, during the NDA dispensation, the definite step started to that end. In 1999 the Social Justice and Empowerment Ministry set up a committee headed by S. Dave, the former UTI chairman, who earned notoriety for the Unit 64 scam. The committee was formed ostensibly to formulate a policy on a pension scheme for those in the informal/unorganized sector. What the Dave committee actually did was to recommend the taking away the government contribution of 1-1/16% of workers pay roll to the Employees Pension Scheme 1995 and more important, advising private managers for the Provident Fund. The CBT outrightly rejected such recommendations of the Dave Committee. Then another attempt was made in 2001 by the Finance Ministry under the NDA through the Insurance Regulatory Development Authority (IRDA) to introduce destructive clauses, but failed. The UPA supported by the 'Left' then took up the corporate interests and became desperate to hand over the hard-earned workers' money to the speculators.

The privatization push led the CBT, even with reservations of its members, to go for maximization of investment-based profits i.e. through speculative investment engaging AMCs; in other words the corporate houses operating in the Share and Securities markets with licenses from Securities Exchange Board of India (SEBI). This spells danger for millions of workers and employees depositing their hard-earned money for a supposedly safe return after their service period.

And now in 2008, the Labor minister, who is also the Chairman of

the CBT, EPF, formed a three member committee with officials from the EPFO/ministry to draw up the master plan of handing over the huge amount of hard-earned money to the private entities. The 3-member committee appointed CRISIL, a credit rating agency as its consultant. In the process, the CBT had allowed that 3-member committee to proceed for the selection of the fund managers in assistance with the appointed consultant. **One should recall that all this started when the CPI (M) led 'Left' was the prop of the UPA government.** However, there was a stipulation that "the recommendations of the 3-member committee shall be placed before the Finance and Investment Committee (a sub-committee of the CBT) and the CBT for final selection of Fund Managers". This very meeting of the CBT was held on January 23, 2008. Thus the process had taken a definite shape under the 'Left' propped UPA government and then the matter was brought before the CBT on July 29, 2008. The Finance and Investment Commission (FIC) in its meeting approvingly considered the whole process on March 19, 2008. Then the CBT as well as all the sub-committees were reconstituted and the reconstituted FIC was also convened on July 24, 2008.

The process of speculative investment took several months to assume a final shape. On April 17, 2008, the offer for grab was made through an open advertisement in the dailies. 17 non-banking entities – except the SBI – responded. With the consultation of CRISIL, the appointed consultant, the 3-member committee excluded seven and the Formal Request for Proposal was invited by June 6, 2008. It was preceded by a pre-bid conference with 10 short listed organizations. The negotiations game of financial bids was also exposed by the media. The financial bids from 10 entities were again evaluated by CRISIL. The crude drama was enacted when two of the bidders quoted zero bids-offering to serve as Fund Managers without charging any transaction fee. Then the 3-member committee made a

public display by excluding those two entities, namely HDFC AMC and Birla Sun Life AMC. And on the day of the trust vote in the Parliament things were settled by the 3-member committee. It is notorious that the said committee unilaterally decided to make the threshold limit (in terms of Asset Under Management or AUM) for prospective Fund Managers to participate in the bidding process as having Rs.10,000 crore of others' funds. This obviously excluded all nationalized banks except the SBI from the very process of bidding. Secondly, the number of Fund Managers was fixed at four. Initially it was three and to favor Anil Ambani's Reliance Capital AMC, the number reached four at the last moment of deliberation. The Fund allocations were decided to be ensured between multiple fund managers. For a formality it was decided to bring the decisions before the CBT for a mandate.

Ultimately, by the end of July 2008, the four Fund Managers namely, HSBC AMC, ICICI Prudential AMC and State Bank of India were proposed by the 3-member committee. It should be noted here that the first one, i.e. HSBC AMC is a subsidiary of a foreign bank and the ICICI Prudential AMC is a private bank in which the majority of the share holders are FIIs. The employees' protests and absence of majority of employees' representatives at the CBT meeting that fallowed did not deter the globalization lobby. Not only that at the last stage, displaying corporate favoritism the labor minister included the fourth entity i.e. Reliance Capital AMC as the fourth Fund Manager. Thus the very process of draining the hard-earned EPF Funds to favor MNCs basically dealing in speculation and Indian big comprador houses was started in the past two years and it received the legal stamp from the UPA government.

Interest payable on EPF deposits was already lowered along with small scale savings. With the lowering of interest rates the earning from the so-long dependable EPF has come down for the workers and other service holders. Then after handing over the PF to the private fund managers, recently the UPA government has proceeded further to

unleash another attack on the working people. A directive has been unilaterally issued to take away some important monetary facilities vis a vis EPF and Pension Funds, but it has simultaneously shown disturbing leniency to the owners charged with corrupt practices in managing the PF.

The new directive of the central government was issued even keeping the CBT of the Employees' Provident Fund Organization in the dark. On 26 September the central Gazette published the ominous directive. By this step the UPA government first of all takes away the right to commute a portion of the approved pension of the employees. Hitherto the employees had the right to commute a part of their pension and receive that amount in cash. This directive did away with the earlier right of the employees of receiving the amount in cash, deducting the amount from the amount entitled to, under the pension scheme. Thirdly, in case of voluntary retirement or superannuation before the retirement age or retrenchment, so long the pension reduction was at the rate of 3% and now it will be 4% per year. Fourthly, for so many years it was the rule that if the owners of any concern failed to deposit workers' pension money with the Pension Fund, the fine imposed on them has been reduced to 12%. Before it was the rule that the defaulting owner was to pay a fine of 17% for a delay below two months, for a delay of 2 to 4 months 22% and for a delay of 4 to 6 months 27% and in case of more than 6 months delay the additional fine was at the rate of 37%. And now with the unilateral directive of the UPA government they have been lowered by 5, 10, 15, and 25% respectively.

In the all-round financial crisis, the US and European governments are desperately trying to salvage the big private concerns by either taking over them or saving the companies going in the red by infusion of millions of dollars. All the foreign private provident fund companies are now in serious crisis. The largest provident fund company in the world based in the USA, AIG (American Insurance Group) has already passed into bankruptcy. The US government has taken the drastic decision by buying up

80% of its share. The speculators invested hugely in the risky share markets with the people's money deposited in the AIG stock. The main sufferers are the people who had lost their money expecting better returns from such enormous AIG business. In the present crisis the only 'Indian' bank under a cloud is the ICICI Bank, now appointed as owner of the fund managers.

After betraying millions of the working people on the EPF front, the Union Cabinet gave the nod on 31, October, '08, to raise the limit of FDI in the insurance sector from the present 29% to 49% thus placing the insurance sector at the mercy of international speculators in such a critical situation. Now with such anti-people steps in the insurance sector, the international speculators will find huge amounts of money for speculation. Quite naturally, the corporate houses have been delighted. Mr. T.R. Ramachandran, designate-MD & CEO, Aviva India immediately said in a statement: "We are delighted that the increase in FDI to 49% has been approved by the cabinet and we look forward to the Bill being approved soon. A simple calculation shows that the raising the FDI limit to 49% may increase the total FDI in the insurance industry by almost 2.5 times from the current levels of approximately Rs.2,500 crore".

In other words the entire savings of the people in the country in the form of Provident Funds and Insurance have been turned over to the corporate predators. It is natural for the Indian private players to be elated for they will be secondarily benefited with their multifarious business links with foreign investors. The financial crisis sweeps through the developed world and its impact has been severe for the people of India. Such decisions in case of provident fund and insurance will be disastrous for the working people. It is yet another colossal crime against the working people being perpetuated by the UPA government hell bent on pursuing the policies of globalization. Mass agitations and protesting actions of the people, especially of the workers and employees are necessary to compel the government to withdraw such steps against the toiling people of India. P t

NANO ADIEU- SINGUR STRUGGLE MUST CONTINUE TILL PEASANTS GET BACK THEIR LAND!

RATAN Tata officially announced on October 3, 2008 the steering of Nano car project from Singur. Ratan Tata, head of a \$ 62.5 billion business empire, in his press meet, minced no words to politically lambast the TMC and other forces fighting for the return of the plots the peasants were unwilling to part with. Ratan Tata appearing as a benevolent icon of West Bengal's development process spewed venom on the land dispossessed peasants and their supporters. Buddhadeb Bhattacharjee recently rubbished strikes, bandh and militant agitation. Soon Amartya Sen denounced "street activism" and now Ratan Tata got emboldened to openly fume against the politics of agitation rallies and demonstration. They never come upfront to admit the stark reality triggering such movements.

The forcible acquisition of 997 acres of highly fertile land in Singur by the CPM government for the Nano project and the relentless resistance against it, have now already been a topical issue in the country and abroad. The long-drawn struggle of the Singur peasants against displacement and the robbing of their livelihoods has earned the first step of a great victory by forcing the exit of the Nano project imposed on them. The Singur peasants' struggle must continue till the forcibly acquired plots of peasants are given back and the dream-sellers of so-called industrialization under the globalization process are delivered fatal blows, exposing their vested interests in it.

Ratan Tata, the head of \$ 62.5 billion Tata kingdom, once again came out in the open most vocally in defence of the CPM line of 'development', 'industrialization' etc. by the press conference on October 3, 2008 and then by means of a huge advertisement in the dailies on 17th October, 2008. The 'benevolent' king in cahoots with Buddhadeb, Benoy, Prakash Karat & Co. steamrollered on the lives of thousands of Singur peasants and nearly 1000 acres of highly fertile land there. An arrogant Tata stepped out of his world of periodical business briefings in order to denigrate Bengal's tradition of protests, militant struggles against God Capital's domination and exploitation by the landed gentry. Both Narendra Modi and Buddhadeb

Bhattacharjee have been having kudos from the authors and leaders of the imperialist globalization lobby in India and abroad for their current frantic drive at so-called development, infrastructure building, setting up of some highly sophisticated industrial units, shopping malls, real-estate business, etc. by destroying agricultural land and livelihoods of peasants.

Tata shifted his Nano car project from Buddhaland to Modiland facing the defiance of the Singur peasants unwilling to hand over their plots forcibly occupied by the Nano owner Tata with the criminal support of the Nano CPM. However, the timing of shifting, uncanny suddenness of the decision to shift from Singur when the *dharna* programme was withdrawn enhances suspicion as to the real programme of Tata and the CPM in Singur. With a brimming over of class support for the 'investor-friendly', pro-big capitalists, corporate-agriculture-loving CPM Mr. Ratan N Tata has threateningly invoked the people of West Bengal, particularly the youth, to choose and to side with the CPM: *"Would they like to support the present Government of Mr. Buddhadeb to build a prosperous state with the rule of law, modern infrastructure and industrial growth, supporting a harmonious investment in the agricultural sector to give the state a better life? Or would they like to see the state consumed by a destructive political environment of confrontation, agitation, violence and lawlessness?...."* Who bats in such a political way for *"the present government's progressive policy"*? Mr. Ratan N Tata or Mr. Prakash Karat? And what is such a Tata campaign for? Any conscious person in Bengal, as also the land dispossessed peasants of Singur and elsewhere, can easily understand the class outlook of Ratan Tata in finding the choicest friend in the CPI (M).

Like the CPM-led 'Left' Front government Mr. Ratan Tata has justified land acquisition, lied about transparency in the acquisition, made a false charge of theft of goods from the factory site, and also shed crocodile's tears for the Singur people supposedly missing the bus of a dream "development". He never uttered a single word on the on-going tumbling down

of the world capitalist system, the crashing of one after another big banks, insurance companies; bottomless financial crisis, retrenchment of thousands of working people and the regular closures and layoffs! And obviously Mr. Tata skipped the very important issues like the down-slide in the automobile market everywhere, the merciless repression in Singur for the past two years for forcing people to be 'willing' for handing over their precious plots of land and about the Singur land occupied on the flimsy ground of "public purpose".

The CPM, the comprador corporates, and the pro-globalization media are now whipping up a synchronized campaign for public consumption that the pull out of the Tatas from Singur spells a disaster for the 'resurgent Bengal' with a road map of industrialization. They discover ominous portents in the anti-land acquisition movements by peasants. A propaganda blitz is on course that a lift to prosperity of thousands of Singur people has been dashed to the ground with the departure of the Nano project. The voices of the Tata sycophants are choked and their eyes welled up in tears for the supposed huge losses incurred by the Tatas. It is time to rebuff all such nefarious campaigns.

The Singur struggle, Nandigram resistance, the series of militant struggles against the acquisition of an estimated 38,300 acres of land have already torn apart the veil of so-called industrialization, the reactionary pauperizing model of development, the anti-agriculture devastating policy and the ruthless globalization agenda. Only on August, 2008 the chief minister in a Kolkata meeting threw a challenge to the TMC, Maoists and others justifying the land acquisition in Singur. In presence of corporate magnates in 2004 Buddhadeb sermonized "reform or perish" and in the aforesaid Kolkata meeting his cup of bliss brimmed over for "Singur is presently in the throes of a great developmental upheaval". The Nandigram adventure already proved disastrous for the imperialist globalization lobby masquerading as harbingers of development in West Bengal. Now the Singur peasants' stubborn defiance of the Tata-Buddha orders for parting with their

precious land and then the recent Nano departure have only sent a dismal message to the destroyers of agricultural land and livelihoods and inspiring fighters against displacement and the imperialist-sponsored development model.

The unwilling peasants are still carrying on their struggle to retrieve their land in the vast walled-up area. The so-called "great development upheaval" caused by the Tata juggernaut has not only wreaked havoc on the lives of thousands of peasant families, one of the most fertile green patches has also been destroyed by those satanic forces. The simmering discontent of many of the landowners forced to hand over their plots projecting them as "willing supporters" of this type of "development" now finds expression. Singur will soon witness a groundswell of popular outbursts by unwilling and so-called willing peasants. The Singur factory was constructed under a huge protective shield of armed police forces aided by the benevolent CPM goons. It bears recall that resistance of Singur peasants started since the very first visit of Tata officials in May 2006 and despite mass-scale protest and opposition 997 acres of land was forcibly surrounded on December 5, 2006. The last Panchayat elections virtually proved a referendum on the land acquisition in Singur and the pro-acquisition lobby of the CPM was unleashed humiliating defeats belying the CPM story of mass-scale voluntary land gift for industrialization.

The munificence shown to the Tatas by the cash-strapped CPM government by way of almost free land, free water, the subsidized power and the undisclosed tax holidays only inspires hatred and rage of the people. The Nano factory relocation in Gujarat does not terminate the prospect of employability of thousands in Singur as the CPM bosses and the Corporates would have us believe. As the highly sophisticated Tata project with the proposed investment of Rs. 1,500 crore could at best produce 300 to 600 jobs. Most of them must have been engineers and skilled technical degree holders, not the Singur boys and girls. The fact-sheet, however, shows that the material suppliers, mostly the CPM muscle men and activists, who formed syndicates expecting windfall profits and whose leader, the CPM zonal secretary, Suhrid Dutta, now convicted of

masterminding the rape and killing of the teen-aged Tapasi Malik for opposing the Tata project, must be for now a disheartened lot. Their grief is tinged with anger basically for the non-receipt of many hundred crore of rupees against the supply of building materials even pretty before the Nano unit relocation. Tata Motors was to have reaped a huge profit annually of Rs. 600 crore from the Singur project but it never declared the concrete job picture. When in the mines and steel industry in Jamshedpur and in Jharkhand, TELCO the Tatas have already dismissed thousands of workers it was a pure fiction of roaring employment opportunities in the highly sophisticated Singur factory.

Tata left Singur for fear of stepped-up struggle for the return of land by the peasants. But the exit from Singur was meticulously timed weighting the market viability, prospect of the Nano competitor rolling out a similar car, the fact of impossibility of Nano's price tag of 1 lakh (below an auto price), the unfolding outburst of Singur's land-dispossessed and of course the better pasture in Mr. Narendra Modi's Gujarat despite paying the market price of the 1100 acres of land. The entire automobile industry is in crisis across the globe. The global capitalist economy has also sunk into deep recession.

In Singur the Tatas would have to incur a minimum loss by way of transporting the plant and equipment to Gujarat. But the loss caused to the multi-cropped Singur land and to the livelihood of the peasants, their culture and society is immeasurable. During the dramatized withdrawal announcement at the press conference on October 3 Ratan Tata lied that it was a "lonely decision" reached on that very day. No meeting of the Board of Directors or shareholders! All the dharna programmes, movements at the factory site remained postponed since 7 September. At his political speech Mr. Tata concentrated attacks on the Opposition and struggling forces but heaped all praises on Buddhadeb and the 'Left' Front, providing strength and encouragement to the industrialization lobby. He did not forget to assure further investments in Bengal. Within days Tata found 1100 acres of land in Gujarat. All such steps appear preplanned and stage-managed. The

unfolding days will open up many a secret behind the Tata move.

At Ratan Tata's prodding Buddhadeb did a topsy-turvy on September 7, the day after officially signing an agreement of returning the unwilling peasants "the maximum (land) within the project area and the rest in adjacent areas". The betrayer CPM bosses are now saying that no acquired land shall be returned to the peasants. And on October 5 at the stone laying ceremony for another SEZ Orion Techcity, Buddhadeb threatened to carry on the war of "industrial development" and Mr. Pranab Mukherjee, the UPA minister echoed the CM's voice, "*We cannot abandon development for narrow interests.*"

Only recently on 12th November, the leakage of the document (read another secret agreement) pertaining to the details of October 7 Agreement between the Narendra Modi government and the Tata Motors further exposed the dirty game plan of the Tata's to extract huge amounts of people's money in the name of industrial development. It is over Rs. 30,000 crore in sops for the Nano car project in Gujarat. The BJP government in Gujarat appears to be little more generous than the "Marxist" government in West Bengal. According to the reports in Hindu dated November 12, 2008, the Modi government has agreed not only to provide a soft loan of Rs. 9,570 crore at a negligible interest of 0.1% for setting up the project but also to defer repayment for 20 years, besides initially meeting all the costs of infrastructure development, cut in power tariff rates and an expenditure of Rs. 700 crore on shifting machinery and equipment from Singur to Sanand in Gujarat.

It is found that for the promised cost of one lakh for each car (that is now an illusion) the burden on the exchequer will be Rs. 60, 000. The leaked document also shows that the Modi government followed the CPI (M) government in other ways too by granting exemption even from payment of a stamp duty of Rs. 20 crore for the 1,100 acres of land given at a subsidized price of Rs. 400.65 crore, which is to be paid in eight equal installments at an 8% compound interest with a moratorium of two years. There will also be no charge for transferring the land which is for agricultural purpose

Continued on page 18

BEAT BACK THE FASCIST ONSLAUGHT IN ORISSA

Ujjwala

THE recent and ongoing violence on Dalit Christians in Kandhamal once again highlights the need to fight the fascist hindutva forces and thoroughly exposes the governments, both central and state. The state and central government's refusal to restrain fanatic Hindu militias evidences their linkage with Hindutva (BJP), soft Hindutva (Congress), and the capitulation of a section of civil society to Hindu majoritarianism. The current violence started immediately after the killing of the notorious goon in saffron, Lakshmanand Swamy, a VHP leader who was working in this area for more than 30 years solely for the consolidation of the Hindutva forces. He along with his four associates was shot dead by the people's guerillas on 23rd of August 2008.

The people's guerillas had left a note on the spot explaining the reasons behind the elimination of Lakshmananda Saraswati and stated "*We have decided to punish anti-people, fanatical leaders like Saraswati because of endless persecution of religious minorities in the country. There will be more such punishments if violence is continued against religious minorities in the country.*" In spite of this clear statement, Hindutva forces used this incident to carry out massacres on Dalit Christians holding them responsible. Whenever the anti-displacement leaders and activists are branded as Maoists, the Sangh Pariwar people are the first ones to join the chorus. They also demand firm action against such leaders and activists. But in this case even after the Maoists owning the responsibility, these cowardly gangsters being afraid to confront the naxalites preferred to hit soft targets, like christian priests, women and children.

The violence started immediately after that incident. Attacks on innocent adivasis, dalits, women, children belonging to minority community were planned, led and carried out by the Sangha Parivar (RSS, VHP, Bajrang Dal, ABVP, BJP) without any limit. Beginning from raping nuns, lynching innocent women-men,

disabled persons and others to burning houses, shops, schools, orphan homes, churches has been going as if, there is no end to it. As of today more than 20 persons have been killed for no fault of theirs. Thousands and thousands of people, who are no way connected to the killing of Saraswati, including pregnant women, toddlers and old ones were forced to leave their homes and are languishing inside the forests amidst rains without food, water, clothes till now. There are enough grounds to believe that there was a deliberate move by a section within the government that crippled the administration and police—leading to the complete breakdown of governance systems. The hooligans under the direct command of the BJP and RSS leaders burnt down shops, houses of Christians, ransacked and looted several Churches, burnt down some NGO offices, lynched a girl student of a Kanyashram and a priest at Baragarh, killed 3 persons in Kandhamal in the presence of Police forces. The violence is not confined to Kandhamal district alone and started spreading to other districts. In several districts of Orissa there is tension and fear of further violence. Already the situation in Koraput district particularly in Jeypore is very serious. Many people have fled from their homes and villages and were in the jungles for many days without any food, medical care and shelter.

More than 25 people are reported to have been killed. Tens of thousands of exclusively Dalit and Adivasi Christians, including women and children in Kandhamal district of Orissa, have been hiding in forests for close to a fortnight. Over 4,000 houses have been torched and 300 villages entirely obliterated. A nun has been gang raped, another woman has been burnt alive in a Christian orphanage, and over 60 Churches and Christian institutions have been razed to the ground, many for the second time (107 churches were set ablaze in December 2007), by the right-wing fanatics.

Profile of Kandhamal District

Kandhamal is a recently constituted district in 1994. It has 2,515 villages spread over 7,649 sq km. The terrain is

inaccessible, full of hills and narrow lanes crisscrossing the villages. There isn't a single industrial unit here. There are no railway lines, and so no trains come here. In this doleful land live close to eight lakh people. In terms of castes and tribes, the Kandha tribe constitute more than half the population of Kandhamal. The Panos, who are the dalits, form the next big chunk. It is on this Kandha tribe the Rashtriya Swayamsevak Sangh (RSS) is concentrating for bringing them into the hindutva fold. The Panos are where the Christian community gets its numbers. The percentage of Christians in Kandhamal — 25 percent—is astonishingly high compared to the 2.44 percent for the whole of Orissa. In percentage terms, Orissa has the third-largest concentration of Hindus in India (nearly 95 percent in the 2001 Census). Muslims are barely two percent. Kandhamal remains socio-economically backward, a large percentage of its population living in poverty. Approximately 90 percent of Dalits are landless. A majority of Christians are landless or marginal landholders.

Hindutva ideologues say Dalits have acquired economic benefits, augmented by Christianisation. This is not borne out in reality. The demographic Profile of Kandhamal suggests that in the last 40 years, the population of outsiders having migrated into the district has increased by 140%. They are all non-tribals and non-Dalits, who mostly belong to the upper castes — Brahmins, Karans, Telis, Sundhis, Kumudis, etc. They do trade and business with tribals and Dalits. The stories of oppression involving them can be narrated separately. Most of the fertile lands in the district are under the control of these trading communities. They are the people who provide a good base to all Sangh Pariwar outfits who operate in the district and play an active role in every communal violence in the district.

RSS activist, Swami Lakshmananda Saraswati, who was heading the VHP movement in Kandhamal is not a sadhu as being projected. He was a member of the VHP's Kendriya Margadarshak Mandal, a powerful decision-making

panel. He operated largely from two ashrams 150 km from each other. To his followers, Saraswati was the incarnation of Parashurama, the first warrior saint in Hindu mythology. Saraswati saw himself as the saint who would vanquish the Christians. Saraswati was a member of what are now called the Most Backward Castes. He had to quit his job because of some irregularities and a police case for murder and criminal conspiracy is pending against him. He managed to escape many previous attempts on his life.

The Rise of Hindutva Forces in Orissa:

What has happened in Kandhamal is not an isolated event. It's an outcome of a sustained effort of the Sangh Parivar to spread the poison of communal hatred in Orissa. A series of anti-Christian crusades, such as the gruesome murder of Graham Staines and his two sons in 1999, marked the onset of aggressive Hindutva in the Orissa.

The Sangh's history in post-colonial Orissa is long and violent. Virulent Hindutva campaigns against minority groups reverberated in Rourkela in 1964, Cuttack in 1968 and 1992, Bhadrak in 1986 and 1991, Soro in 1991. The hindutva forces had witnessed a phenomenal rise after the Bharatiya Janata Party's coalition government with the Biju Janata Dal came to power in 2000.

However we can't put the entire blame on the BJP alone for the consolidation of communal forces. The role of all mainstream political parties is equally condemnable. The local leaders of the main opposition Congress party are mostly with the Sangh Pariwar, which is the reason why violence on minorities could not be prevented even in pockets where the Congress party has good influence. The local leaders of the Congress have always extended good help to Swami Lakshmanananda whenever the Swami had organized *yajnas* or other communal rituals. If one recalls the kind of role that the Congress played during the Gujarat riots and in the days following the riots, one would find a similar role played by the Congress in Orissa in the Kandhamal situation.

At present VHP has claimed 1,25,000 primary workers in Orissa. The RSS is said to operate 6,000 *shakhas* with a 1,50,000 plus cadre. The Bajrang Dal has 50,000 members working in 200 *akharas*. BJP workers number above 4,50,000. BJP Mohila Morcha, Durga Vahini (7,000 outfits in 117 sites), and Rashtriya Sevika Samiti (80 centres) are three major Sangh women's organisations. BJP Yuva Morcha, Youth Wing, Adivasi Morcha and Mohila Morcha have a prominent base. Bharatiya Mazdoor Sangh manages 171 trade unions with a membership of 1,82,000. The 30,000-strong Bharatiya Kisan Sangh functions in 100 blocks. The Sangh also operates various trusts and branches of national and international institutions to aid fundraising, including Friends of Tribal Society, Samarpan Charitable Trust, Sookruti, Yasodha Sadan, and Odisha International Centre. Sectarian development and education are carried out by Ekal Vidyalayas, Vanavasi Kalyan Ashrams/Parishads (VKAs), Vivekananda Kendras, Shiksha Vikas Samitis and Sewa Bharatis—cementing the brickwork for hate and civil polarisation.

The real reasons behind the "Communal Violence"

The present violence in Orissa is not exclusively a religious violence. It must be seen as part of the evolving social economical and political conditions in the country in general and in Orissa particular. Orissa has a share of 6.6% of total value of the mineral resources but constitutes only 1.6% of the national industrial production. This huge mineral resources obviously makes Orissa a lucrative destination for the world's biggest multinational companies and private capital. The Orissa government has ruthlessly pursued land acquisition for mining companies and for exploitation of other natural resources through brute force as witnessed in Kshipur, Kalinganagar, Jagatsinghpur and Hirakud to honour the commitments that it has made to various corporate houses both native and foreign.

On the other hand we can also see the rising people's resistance to these globalization policies and economic plunder by imperialists. The ruling classes

aware of this reality are finding ways to contain the mass opposition. The Sangh Parivar is working precisely for imperialists through its divisive politics of creating communal tensions and pitting the most marginalised groups against each other; in this case the Adivasis against Dalits, majority of whom happen to be Christians. The Sangh Parivar makes false claims that Christian missionaries and Muslim traders are responsible for illegal acquisition and grabbing of lands of Adivasis. The notion that Dalit Christians are responsible for the landlessness of the Adivasis is untrue. The fact is that there is a real decline in the actual number of available employment and income generating opportunities in the area, despite the ruthless mining and industrialization in some areas.

The Sangh Parivar is also trying to emulate the example of Gujarat in Orissa by hinduizing the huge tribal population. Orissa has about 22% tribal population and in some districts like Koraput, Keonjhar, Phulbani, Sundargarh and Kandhamal they are a majority. They are also an important base for the Maoists who are spearheading the fight against the mining mafia.

The present violence in Orissa must be seen as part of overall strategy of ruling classes to divide the people and contain the rising people's movements. The acute worldwide economic crisis will have serious repercussions in India, particularly in an already impoverished state like Orissa. The resulting impoverisation will lead to more virulent revolts of the people against their oppressors. The sangh pariwar's job is to divert this into internecine battles in order to save the rulers and the moneybags. Its not surprising that their coffers are filled with funds from these sources for whom they work. The Sangh Parivar, with the help of government is already making plans to set up reactionary militias in Orissa with tribal people along the lines of the "Salwa Judum" for suppressing the people's movements. No doubt, as in Chattisgarh, they will be given a fitting reply by the masses led by the Maoists. Meanwhile a month back the newspapers reported that the people's guerrillas killed one more of the notorious Bajrang leaders. P t

GUJJAR BACKGROUND & THE QUESTION OF RESERVATIONS

Surjeet

THE agitation by Gujjars demanding ST status is an important one as it is one of the largest successful popular movements in recent times. During their agitation Gujjars had to face not only the police forces but also the opposition from the other dominant castes in the state. For some time it seemed as if it is nothing but a caste conflict. However defying the state repression and the opposition from the other dominant castes Gujjars managed to succeed in obtaining a special quota of 5% of reservations in Rajasthan. But before analyzing this movement we must consider certain facts.

Economic Backwardness of Gujjars

Gujjars were originally nomadic shepherds and have been described as nomadic pastoral tribes by social historians and anthropologists. They were spread across the dry tracts of western India from Kashmir to Gujrat. When India was sparsely populated, Gujjars used to take their animals up to the Himalayan foothills in summer and descend back to the plains of the north western states in winter. Subsequently when a settled population grew and grazing grounds shrank, they were forced to take to a sedentary lifestyle.

Because their nomadic lifestyle does not permit any security, financial or otherwise, they are often riddled with debt. While they possess sound insight into various aspects of conservation and animal husbandry, they are vulnerable to and open to exploitation simply because they are illiterate. In other words they stand marginalized.

The Gujjar community in Rajasthan State constitute 7-8 per cent of Rajasthan's population, numbering somewhere between 60 to 65 lakhs.

The economic backwardness of Gujjars is evident from the data collected by the Chopra Committee, constituted by the government. According to this report more than 33 per cent of the villages did not have approach roads. Only one district, Nagaur, was found to enjoy cent per cent connectivity. Only

in six of the 20 districts were villages found to be electrified. In Sawai Madhopur district, where two people were killed in police firing this year, about 83 per cent of the sample villages did not have electricity. Only 22 per cent of Gujjar families had electricity connection in their homes and the percentage fell to eight in the case of Bundi and Sikar districts. As 121 villages, constituting about 27 per cent of the total samples, did not have electricity, no household in these villages owned a television.

Nearly 73.3 per cent of the people covered in the survey did not have postal facilities in their areas. While 11.5 per cent of the villages surveyed did not have primary schools, more than 71 per cent did not have middle schools. The literacy rate among Gujjars was also lower than the State average. About 77 per cent of Gujjar families surveyed were found engaged in their traditional occupations of cattle herding and farming. In 10 districts, around 80 per cent of the Gujjars were engaged in such activities.

Gujjar landholdings, according to the Chopra Committee's report, are smaller than the State average. Only 3.07 per cent of the vehicles in the State are owned by Gujjars. The average school enrolment of Gujjars in 16 selected districts was found to be only 5.66 per cent of the total enrolment. In some 18 districts, Gujjars accounted for only 2.2 per cent in government jobs.

The representation of Gujjars in higher education can be examined by counting the number of students belonging to the Gujjar community studying at University of Rajasthan, Jaipur and in its colleges at Jaipur. The picture that emerges is really shocking: There are only 10-15 students in post graduation courses. Further there are only 5 students in the Maharaja College. There are only 10-15 students in Rajasthan College and Commerce College. (Note: Jaipur is located almost centrally to the areas, which are having a majority of Gujjar population). The situation of girls is even worse. There are hardly 8-10 girls in the Maharani College of the university out of approx.4500.

The total representation of Gujjars in

Central Civil Services recruited through the UPSC is 5 out of which 2 have been recruited before the implementation of the Mandal Commission's Report. There is only one IAS from the Gujjar community of Rajasthan in 60 years. There is nil representation of Gujjars of Rajasthan in the All India Services like the Indian Police Service, Indian Foreign Service, and Indian Forest Service etc. after 60 years of so-called independence. There is not a single Judge in the High Court/Supreme Court from the Gujjar community. There are only two Gujjars in the Rajasthan Judicial Services. The total number of Gujjars who have taken MBBS and Engineering degrees in 60 years is not more than 30. There are very few Gujjars from Rajasthan who have done professional courses like chartered accountant and management (MBA) courses.

History of Movement

The demand for ST status for Gujjars is not new. The first time it came up was in the year 1965, when for the first time the Gujjar Mahasabha, demanded the ST status in its convention at Dholpur. Since then the issue has been hanging. Gujjars have adopted and availed every possible peaceful means to put forth their genuine demands before the appropriate quarters. But it was being sabotaged under one pretext or the other. Observing this hopeless state of affairs, the Gujjars intensified their struggle during the last 2 years.

It was the Mandal Commission, set up in 1978, which recommended the inclusion of the Gujjars of Rajasthan in the OBC category. Based on this recommendation they were included in the OBC category in 1994. During the Congress regime of Ashok Gehlot, the demand for S.T. status for the community began gaining momentum. In November 2003, in an election rally in Rajasthan, Prime Minister Atal Bihari Vajpayee declared that his government would include the Jats of Rajasthan in the OBC category. The promise was fulfilled before the parliamentary elections of 2004, and this fetched rich dividends for the BJP in the Lok Sabha and Assembly elections in the State. The inclusion of a dominant community

like Jats in the OBC category is nothing but making mockery of the reservation policy. Naturally the Gujjars felt let down as now they had to share the 27 per cent reservation for OBCs with Jats, a much more powerful community.

Another important factor which strengthened the Gujjar's movement is the facilities enjoyed by the Meenas under the ST category. The Meenas, the community that is now arraigned against the Gujjars getting the ST status, also have an interesting history. Unlike the Gujjars who are spread out in north-western India, the Meenas are a tribe whom we find only in Rajasthan. A land-owning class, historians say they were the ruling class in the ancient Matsya (modern Rajasthan) and were even seen as kshatriyas, like the Gujjars in the earlier times. However their origin are still not clear as historians differ as to whether they have a Central Asian origin like the Gujjars or are an indigenous community.

The similarity between the Gujjars and the Meenas also appear in the way the British treated them. Like the Gujjars, the British found this community also as a thorn in their flesh, and one British chronicler even called them "revengeful and blood thirsty". And like they did with the Gujjars, this community was also denominated as a criminal tribe. It may be seen that both Gujjars and the Meenas who had belonged to a much higher caste order were relegated as criminal tribes during British times. The Gujjar and the Meena community share similar characteristics. They inhabit similar geographical areas; by and large follow the same marriage patterns, folk dance and songs, customs, culture, life style, etc. The only difference is that Meenas are distributed in the plain fertile area and are traditionally good agriculturists whereas Gujjars inhabit the hilly, forested areas, cut off from the main stream and thrive mainly on animal husbandry. The traditional occupation followed by Gujjars is pastoralism, which make them even more eligible to be classified as a scheduled tribe.

However, post-1947, Meenas who are economically better off being landowners had managed to be classified in the 1960s as a scheduled tribe, while the economically inferior Gujjars at least in

Rajasthan, however got the OBC status.

The State government was unwilling to make any such recommendation for fear of alienating the Meenas, who are numerically, economically and politically more powerful.

State Response:

The issue is not one of reservation alone; it is a question of dealing with huge segments of the population that have been neglected for generations. The agitation reflects resentment at that social and economic neglect. But the response of the state government shows its insensitivity and anti-people character. The immediate response was to crush the movement using brute force. It also made use of the natural opposition from the other castes in the state. It used their old strategy of pitting one caste against another.

During the last year, in May 2007 when the current movement was started the state government responded with bullets and 26 innocent Gujjars were killed. Despite this the Gujjars of Rajasthan on the assurance of the State government suspended their agitation. As nothing came from the government they resumed their agitation this year by observing the death anniversary of the people who were killed last year. This time too the state of Rajasthan came down heavily on the peaceful agitators, showering bullets on them, resulting in 46 deaths and thousands injured. The movement saw a new turn and it spread in the entire northern and western region of India including Madhya Pradesh, Uttar Pradesh, Gujarat, Haryana, Delhi, Haryana, Punjab and Jammu and Kashmir. State violence could not deter the Gujjars of Rajasthan, on the contrary they have positioned themselves firmly on railway tracks and highways with the single aim and programme "Do or Die". The entire govt missionary used against Gujjars failed to send Gujjars back to their villages. Gujjars have been demonstrating with the bullet-ridden bodies of their nears and dear ones.

The Gujjar agitation had completely paralyzed the state government, the train services were completely disrupted and roads, including the National highway, were blocked. The militant struggle of Gujjars had forced

the government to initiate a dialogue and finally the government had to accept some of their demands. Though they were not able to get their original demand of ST status they were able to get an exclusive 5% reservation in the State of Rajasthan.

The government of Rajasthan had accepted to raise the current level of reservation of 49% to 68% by giving 5% reservation to nomadic tribes like Gujjars and Banjaras and 14% to the economically backward section among the upper castes.

Conclusion:

The Gujjar agitation demanding ST status must be seen as resentment of a marginalized community, which was made to compete with a very powerful and dominant community like the Jats. This highlights the fact that the grouping under the OBC category is not homogenous. Within the OBC category some are very dominant and powerful with all resources at their disposal and some are oppressed and socially and economically marginalized. Another significant aspect is that the condition of the OBC is also not uniform across the country. There is a huge difference in the economic and social status of Gujjars in Western UP and Rajasthan. Gujjars are already included in the ST list in Kashmir and Himachal Pradesh. From the data available one can easily conclude that they definitely fall under the category of a marginalized section.

The BJP, for all its opposition to reservations, has been playing the reservation card in Rajasthan to create their vote banks. Earlier, the Gujjars were weaned into their fold promising them ST status. Then they back-tracked due to opposition from the powerful Meena community who has a larger population.

On this occasion the Gujjars have had to fight a veritable battle before the BJP government guaranteed them a 5% reservation quota without giving them the ST status.

It is the strategy of ruling classes to make different castes and communities compete with each other and thereby make a mockery of the concept of reservation. The reservation of 14% for the economically backward upper castes is an indirect way of bringing the economic criterion into the reservation concept.

P t

THE IMPORTANCE OF BEING RAJ THACKERY

ON the day after his arrest the staid Economic Times screamed 'a leader is born'; 'the only real opposition in Maharashtra', etc. In tabloid style even this paper of big business sought to create a hero out of an upstart fraud. After splitting from his uncle over a scramble for the top post with his cousin, Raj's NMS has sought to win over the Marathi vote bank from the Shiv Sena by whipping up this tirade against North Indians who have a sizable presence in Mumbai. Besides the electoral games involved it is a common ploy of fascists to divert the masses from the real causes of rising unemployment into internecine disputes. It is the age old game of the rulers resorting to divide and rule.

On this occasion once again Raj Thackery (RT) used the railway board recruitment exams as the spark to enflame sentiments. He resorted to lies and duplicity to provoke sentiments while his storm-troopers attacked those coming for the exams. A few were even killed. The Congress government then made a show of arresting him in the full glare of the media in a bid to artificially build up his image. While the police turned a blind eye his gangs went on the rampage attacking simple auto and taxi drivers and burning their vehicles. In the name of the arrest he arrived in Mumbai under a huge escort of police vehicles like a VIP waving to the people and in full and continuous glare of the TV.

In this entire game he had the full backing of the Congress, particularly the Sharad Pawar faction, who openly came out in support of him. Aviation minister, Praful Patel, made open statements in his support; as did ex-Shiv Sainiks (and now Congressmen) Bhujbal and Narayan Rane. Many remember this as a replay of 40 years back when Bal Thackeray was built in similar fashion by the then Congress CM, Vasantdada Patil. Then, it was the *Madrasis* (i.e South Indians) who were targeted, now it is the North Indians. Then too the Shiv Sena had the full backing of the industrialists whose

main target was the CPI trade unions (many of whose leaders were south Indians); now too it is a known secret that a large amount of MNS funds come from the Gujarati, Mukesh Ambani.

The issue has acted as an excellent ruse to divert the masses of Maharashtra and Bihar from the real cause of unemployment and growing impoverisation with the leaders of both states merely yelling at the people of the other state. So that it has become a Bihari vs Maharashtrian issue rather than an issue of a united unemployed against the government/moneybags and its imperialist-sponsored policies. The added lollipop is that the Congress will be able to divide the Shiv Sainik votes in the coming elections and cling to power by outdoing the Shiv Sainiks at their own game.

This is a very convenient ruse in view of the coming crisis due to the worldwide financial meltdown which will snatch away lakhs of even the limited jobs now available. Already even the much hyped sectors like IT, have been badly hit, not to mention the low end industries like garments, leather, etc. The effect is already being felt with businesses collapsing or going slow; but this is just the beginning. Far worse is in store in the coming year. The moneybags and government will be very happy if the people fight amongst themselves rather than unite to fight their anti-poor policies.

And as for Marathi peoples' self-respect, in whose name he tends to speak, RT does nothing for the impoverished peasantry who are committing suicide by the thousands in Vidarbha; nor does he do anything for the malnourished tribals of Melghat, Thane, Nashik, etc who are dying of starvation. He does not say anything against the big business tycoons of Maharashtra of whom 95% (or even more) are non-Maharashtrians, but the ordinary Bihari masses. He says nothing about the agrarian crisis in a State which has the maximum wealth and the lowest percentage of irrigation

(a mere 15%) He talks of the importance of Marathi but says not a word of the domination of English which has become a craze amongst the Marathi middle-class as it is a must for jobs. Besides changing signboards is only cosmetic change when the entire business, courts, private schools, etc are run in English. It is a fact that all the regional languages, including Marathi, are sidelined due to the domination of English and to some extent Hindi. He must demand changes at the top in the running of the state, education and business if he is really serious about the growth of the Marathi language. Actually neither RT, nor his backers, could care for the Marathi people who are living in horrifying conditions of poverty. In the long term they are mere fascist tools in the pay of the moneybags to bail out big business from their crisis; in the immediate sense he is acting as the instrument of the Congress to bring it back to power.

The reality at the ground level is that some contradictions have been brewing at the ground level which are being further inflamed by RT. For example, the sizable Koli population (fishermen most of whom are with the Shiv Sena) have clashed with north Indians who have entered the sale of fish. North Indians, avoiding the fish markets go house to house selling fish at lower prices than in the market. This has led to contradictions. Similar contradictions have occurred in other spheres as well. But the people must realize that it is out of desperation to survive that someone enters some occupation and it is the lack of employment opportunities that is the real reason for this desperate competition. The people of Maharashtra, whether Marathis or non Marathis, need to unite to fight back this fascist ruse to divide them and launch attacks on their real oppressors — the moneybags and the governments in their pay. They must proper employment and/or business opportunities or proper irrigated land for agriculture.

P t

“THEY (CHINA) HAVE SIMPLY COME TO TAKE THE PLACE OF THE WEST AS THE NEW COLONIZERS OF AFRICA.”

Siddarth

—Michael Sata, a Zambian opposition politician

THE glittering show of Beijing Olympics 2008, gagging all the internal dissents, along with China's climbing up to the number one spot in the gold medal tally overcoming USA and traditional European Olympic powers, has not only bolstered the confidence of the upcoming bourgeois classes of China and its party, the Communist party of China, but is also emblematic with the emergence of China as a major political and economic power to reckon with in the world arena. When the world was hypnotized by the Chinese display on and off the field in the Beijing Olympics, Chinese companies were persistently engaged in expanding their influence throughout the African continent in a breakneck speed to secure long term supply of natural resources and also to expand market for the Chinese manufactured goods in African continent. When Chinese Olympians were engaged in engrossing battles on the field to outmaneuver and outperform other competitors, specially strong US, European and Japanese opponents to snatch coveted medals; Chinese companies backed by Chinese government, were also engaged in engrossing battles to outmaneuver and outperform the traditional imperial/capitalist players in the African arena, the US and EU, to win the abundant resources and emerging markets of African continent.

In recent years China has surpassed UK and France to become second largest trading partner of Africa as a single country after USA. From 1995 to 2007 Trade between China and African continent increased by 24% per annum on an average. From 2002 to 2003, trade between China and Africa doubled to USD 18.5 billion; and in 2007 the trade increased to approximately USD 74 Billion where Chinese Import from Africa was slightly greater than its export to Africa by USD 1.1 billion.

Africa as a whole and specifically Sub Saharan Africa*, which consist of all the African territory south or partially south of the Sahara desert, is one of the most underdeveloped places on the earth. In this new millennium the legacy of exploitation, poverty, disease, and malnutrition is crippling the region and the situation is worsening day by day. In contrast to the

appalling human condition, Africa is a treasure trove of natural resources. According to the 2008 British Petroleum Energy Survey, Africa holds 9.49% of the world's proven oil reserves at the end of 2007 and in the same year the region produced crude oil amounting to 12.5% of the world total. Africa had proved natural gas reserves of 8.22% of the world total at the end of 2007 and Natural gas production for 2007 was 6.45% of the world total. This African oil reserve is more than North American oil reserve. In addition to the oil resource, this continent holds 90% of the world's platinum and cobalt, 50% of its gold, 98% of its chromium and 64% of its manganese and one third of uranium. Africa is rich in diamonds and has the potential for producing 40% of the world's potential hydroelectric power. The natural resources of the region are out for sale in the global market and the imperialist/capitalist powers are competing for the 21st century “Scramble for Africa”. People's Republic of China has emerged as one of the strongest among the newest actors to participate in this 21st century resource grab, giving a tough competition to the regions traditional colonizers the European powers and as well as the 20th century actors USA and Japan.

(*Africa can be broadly classified in to North Africa and Sub Saharan Africa. The states of Egypt, Sudan, Libya, Algeria, Tunisia, Morocco and Western Africa are considered in North Africa and All the territory south or partially south of Sahara desert are considered in the Sub Saharan Africa.)

Rape of Africa

China is the planet's second-biggest consumer of oil, behind the United States and within a few years it has become the world's top consumer of timber, zinc (with 30% of global demand), iron and steel (27%), lead (25%), aluminum (23%), and copper (22%), along with nickel, tin, coal, cotton, and rubber. In 2007 Angola, South Africa, Sudan, Egypt and Nigeria were the top five trading partner of China in African continent accounting for about 58% of trade. The top imports from Africa in 2007 were Crude oil

and Mineral products (80%), Base Metals (4%), Wood Products (2%), and Parts for Motor Vehicles (2%). In 1995; oil, minerals and base metals constituted only 30% of the Chinese imports from Africa. In 2007 top Chinese export to Africa were manufactured items like Textile and clothing (13%); Machinery (9%); Transport Equipment (7%) and Footwear (2%) etc. Though primarily Chinese trade and import from Africa is centered on the Oil rich states but China is relentlessly expanding its sphere of influence to other African countries as well to secure long term mining rights and supply contracts for non crude minerals, wood and other forest products and to export Chinese manufactured goods. Chinese presence in Africa seems to be everywhere and increasing day by day. China have secured long term timber supply contracts from Mozambique's rain forests; is drilling for oil in Sudan, mining copper in Zambia, manufacturing textile factories in Kenya, searching for uranium in Zimbabwe, sourcing cobalt from the Congo, laying expressways in Angola. Chinese Construction companies are bagging huge engineering and building contracts in Africa. Chinese President Hu Jintao had declared that China will build one of its proposed five SEZs in Africa in the Copper belt of Zambia where Chinese operators are extracting copper from Chambishi copper mine from the 90s. China even has helped Nigeria to launch a satellite and built phone networks in rural Ghana and other countries. China has granted infrastructure aids to various African countries to build hospitals, water pipelines, dams, railways, airports, hotels, soccer stadiums, parliament buildings which are a part of the policy of Chinese expansion.

European Union (E.U) is still the largest trading partner of the African countries. In 2006 EU imported 126 billion Euro worth of goods (almost 9% of total EU imports) from Africa while exported 93 Billion Euro worth of goods (8.3% of Total EU exports) to Africa.. Half of the European imported goods were energy products and 11% were Food and agricultural items while only 23% were manufactured goods. While machinery, chemicals and manufactured

goods account for almost 78% of EU exports to Africa. South Africa, which has a free trade agreement with EU, is the single largest trading partner of EU in Africa (considering exports and imports), but most of the EU trade is concentrated with the North African countries of Libya (exported 26 billion euro goods, mostly energy products, to EU in 2006), Algeria (exported 24 billion euro goods, mostly energy products, to EU in 2006), Morocco (Trade worth 17.5 billion euro, 2006 mostly Moroccan Textile/Agro products and European Machinery & industrial products) and Egypt (Trade worth 16.3 billion euro, 2006 mostly Egyptian energy products and Textile and European Machinery & chemicals). The EU is also planning to form a free trade zone along Mediterranean (EUROMED) comprising of EU and North African states to ensure resource supply from these states to EU and as well as to protect EU's export market in these states.

The increased focus by EU in trade with North African states resulted in steady decrease in its share in the trade with Sub Saharan countries and increase in Chinese and US share of Sub Saharan trade in particular and African trade as a whole (Refer Table-1-A & B: Source U.S Dept. of Commerce). The US has emerged as the largest trading partner as a single country in Sub Saharan Africa and African continent. In 2007 total US import from sub Saharan Africa was worth USD 67.4 Billion, which comprised of almost 77% of Crude oil import. The US import is almost entirely concentrated with a few countries namely Nigeria (48.6%), Angola (18.6%), South Africa (13.5%), Congo (4.6%), Gabon (3.2%), Chad (3.2%), Equatorial Guinea (2.6%). All of them except South Africa are oil exporting countries. The US export to Sub-Saharan Africa is USD 13.4 Billion and mostly comprised of manufactured items like Motor vehicles, Spares for Oil & gas industries, Oil Platforms, Aircraft parts, construction machinery and industrial chemicals.

From the above facts we found that the composition of African exported goods to China consists of primary products like Crude Oil, Minerals and forest products and this pattern is same as that of African exports with EU and USA and the imported goods from China consists of manufactured items which is also no

different from EU and USA. Like the traditional imperialist powers China is also using the African continent as a rich source of primary products and in return to the primary product is exporting manufactured goods. In the veil of "South-South cooperation", preached by China and African ruling elites, China is practically practicing Imperialist trade which hinders development of productive forces in the colonies.

Chinese FDI and Policy for Africa

China has caught up with the major imperialist powers in "Trade" with Africa, but still the major foreign investments in Africa is controlled by EU and USA. Foreign Direct Investment (FDI) stock of China in Africa was less than 1% of the overall FDI stock of 315 Billion USD in 2006 (UNCTAD). This Chinese FDI was only 3% (2006 figure) of China's outward FDI stock. One of the possible reasons of small scale of Chinese FDI in Africa compared to their trade volume is that in many of the cases Chinese companies do not own the source and are practically negotiating long term supply contract with the African countries for supply of natural resources. But possibility of projected increase of Chinese FDI in Africa is remarkably high. In 2000 China

along with African Union set up a Forum on China-Africa Cooperation. Through this platform China is spreading its influence throughout the African continent by means of diplomacy, trade deals, debt forgiveness, aid packages and

Export From Sub Saharan Africa	2004		2005		2006	
	Export in Billion USD	% Share of Total export	Export in Billion USD	% Share of Total export	Export in Billion USD	% Share of Total export
U.S.A	37.8	27.1	52.4	29.6	61.5	29.5
China	14.5	10.4	19.3	10.9	26.3	12.6
U.K	11.3	8.1	12.6	7.1	13.0	6.2
Japan	8.3	5.9	9.4	5.3	12.5	6.0
Spain	7.0	5.0	9.1	5.2	10.8	5.2
France	7.0	5.0	8.6	4.8	9.2	4.4
Germany	6.3	4.5	7.1	4.0	8.5	4.1
Italy	5.4	3.9	6.3	3.6	7.4	3.6
E.U total	50.4	36.2	61.0	34.4	66.7	32.0

soft loans. Chinese president Hu Jintao in his address at the opening ceremony of the forum in November 2006 promised a bagful of commitments for increased Chinese investment in Africa. Mr Hu promised to set up a USD 5 billion fund to encourage Chinese investment in Africa, provide preferential loans worth USD 3 billion and preferential buyer's credits worth USD 2 billion to Africa between 2006 to 2009, double Chinese assistance to Africa in 2009 from its 2006 level and also waived loans of Highly Indebted Poor Countries (HIPC) of Africa which matured in 2005. China's Government controlled Export Import bank or EXIM bank is playing a crucial role in expanding Chinese trade and business in Africa. The main activities of the bank are Export credits, international guarantees, loans for overseas construction and investments and official lines of credit.

The success of Chinese expansion in Africa is often attributed to the soft Chinese aid and loan policy by the western media. The western media alleges that Chinese aid

Import to Sub Saharan Africa	2004		2005		2006	
	Import in Billion USD	% Share of Total Import	Import in Billion USD	% Share of Total Import	Import in Billion USD	% Share of Total Import
China	9.9	6.9	13.4	7.7	19.0	8.9
Germany	10.7	7.4	11.7	6.7	13.0	6.1
France	9.8	6.8	10.8	6.2	11.3	5.3
U.S.A	8.5	5.9	10.3	5.9	12.1	5.6
U.K	7.4	5.1	8.1	4.7	8.9	4.1
Japan	5.7	4.0	6.3	3.6	7.2	3.3
Italy	4.0	2.8	4.8	2.8	5.5	2.6
Spain	2.0	1.4	2.4	1.4	2.7	1.3
E.U total	47.7	33	54.3	31.3	62.3	29

or loan do not demand any “Environmental impact assessment” of any project or “Human rights records” of the beneficiary government and in this way China is promoting environmentally unstable projects and supporting Brutal dictatorial regimes in Africa. The western media also alleges that these Chinese aid and loans are tied up with Chinese companies getting lion’s share of the contracts and China securing supplies of natural resources. But it has to be kept in mind the allegations leveled by western media and their governments on the Chinese policy is purely Hippocratic .The western imperialists started the aid and loan policy to entangle the African states after WWII and most of the brutal dictatorial regimes in Africa were backed by US or EU countries. Devastation of environment, brutal repression of indigenous people in Africa till date is supported by western imperialist powers. US, which had closed it’s embassy in Equatorial Guinea protesting against the brutal regime of President Obianguema Teodoro Mbasogo or Obiang , shamelessly reopened it after US companies struck oil there. After the nineties, facing severe criticism in home and international arena the US and EU tried to show an image makeover and started tying up aid and loan with environmental clearance and human rights records of the government. But actually the aid and loan policy is being used to create more leverage for the western imperialists. The Chinese policy in a way is providing a new mean to the African Governments to counter political and economic leverages sought by western powers through loan and aid packages. For an example China provided a USD 2 billion line of credit at 1.5% interest over 17 year to enable Angola to reconstruct infrastructure destroyed in 30 years of Civil war. The Chinese loan enabled Angola to defy IMF dictated Loan and policy conditions. In return Angola committed to supply 10,000 barrels per day of Oil from Angolan fields to China. China is just repeating the practice of the Western Imperialist powers in Africa.

In 2006 out of the 125 planned Chinese out ward FDI projects all over the world there were 26 number of projects planned in Africa which was second only to South-east Asian region (41 projects). Previously primary destination of Chinese FDI was in tax heavens of South East Asia and Caribbean. The opportunity of securing Oil and Mineral assets to secure long term

supply is luring Chinese Enterprises , specially state controlled mega corporations (Like Sinopec, Petrochina and China National Offshore Oil Corporation (CNOOC) etc), to invest in oil, gas and mining activities in resource rich countries of Africa like Sudan, Angola, Nigeria, Zambia , Gabon etc. However, Chinese presence in Africa is not limited to State owned super corporations only. Chinese Companies have started using African countries as their low cost manufacturing base to increase competitiveness in home and as well as international markets (Shifting of bicycle production in Ghana). Chinese companies are also increasingly trying to capture the market of Africa for their low cost manufactured consumer goods and services and according to some experts, Chinese companies are investing in African textile industry to bypass U.S and E.U quota on Chinese textiles. As more and more African countries are privatizing their industries, opportunity for foreign direct investment in those industries is emerging and surely China is going to utilize this opportunity to it’s fullest extent.

In almost every month there is some declaration of Chinese investment in African countries. In July 2008 Chinese national mineral company Sinomach signed a 25 year accord with the Gabonese Government to build operate an iron ore mine to produce 30 million tones of ore per annum. Sinomach will also build a 500 km railway a port and water power station .It is expected that investment in mine alone would exceed USD 790 million.

Historical perspective

Africa, the Cradle of human civilization, experienced unprecedented repression on its people and unabated loot of its resources throughout the development of European Civilization starting from slave state of Roman Empire to development of capitalism. The rise of capitalism in Europe was heavily indebted to Slave Laborers of Africa. The Slave traders along with their cronies rounded up thousands of poor Africans from the hinterland of Africa and transported them from west African coasts as slave to Latin American ,Caribbean and north American colonies established by European masters where they were engaged in massive Sugar plantations and sugar mills ,fruit plantations ,cotton plantation and other crop producing activities. They were also engaged in Mines of Latin America to dig out valuable mineral

resources .This cheap source of forced labour power remained a major source of accumulation of capital in Europe and America from 16th to 19th century. In 1884 powerful Western European nations like, Britain, France, Germany, Belgium, convened the Berlin Conference to colonize Africa which is known as “Scramble of Africa”. Every region of the vast continent barring Ethiopia was distributed among the European powers. After the scramble of Africa major European powers consolidated their respective colonies in Africa from where they sourced rich natural resources and practically turned these colonies into slave states and committed heinous crimes against the people. King Leopard –II of Belgium amassed huge wealth by selling Natural Rubber from Congo which was collected by slave laborers. In 1908, when the king handed the colony to Belgium, some 10 million Congolese people have been slaughtered. French, Portuguese, German, British and other imperialist European powers who had got a share of the African pie, mirrored the Belgian conduct. The brutal British repression of the Boers and Africans in South Africa, setting up ghettos and concentration camps for the Boers and Africans in the 1890s, establishment of an Apartheid regime which continued till 1990s with the patronage of British and US political and economic establishments is one of the most disgraceful conducts performed in human history. The Brits invaded Zimbabwe and dislocated the native population from their agricultural lands and even at the time of independence of Zimbabwe, the unprincipled Britain refused to relinquish control of the agricultural land, controlled by white settlers, to the native population. In recent times when the Zimbabwean people tried to gain control of their rightful agricultural land the, British media and Government has created an unprecedented uproar. Germany under the Kaiser between 1904 and 1925 slaughtered some 80,000 Herero people in Namibia. These annals of death and tragedy imposed by European masters upon African people are endless. Along with this repression extraction of wealth from Africa continued throughout the 20th century.

At the time of Scramble of Africa the European powers divided the continent among themselves complete arbitrarily and when Imperialists reluctantly decided to relinquish formal control of their colony, the

creation of new nation states was done in the line of colonial occupation and the question of ethnicity, language was not given priority and which proved very fatal for Africa. Different ethnic groups in many parts of the continent fought among each other over control of state power and in many cases the conflicts were fueled by Imperial powers to maintain their geopolitical hegemony and control over the region.

At the time of anti colonial struggle against the European Masters, after WW II, China helped the movements and also provided support and assistance to many of the newly formed states. For example, China built a train line between Tanzania and Zambia free of cost and gifted it to the two nations which was called TanZam railway. Thousands of African students studied in Chinese universities since their independence. China sends thousands of doctors, technicians and agricultural engineers to many of these newly formed states to help Africa in her own small way. The relation between these African countries and china was a kind of political alliance where they supported each other in UN and other international forums.

After the WW II, a cold war situation also developed between the two super powers namely United States of America and Soviet Union. Both of the super powers tried to cast their spheres of influence on Africa colluding with the local ruling elites of the African countries. Access to natural resources of Africa was one of the major forces behind the clash of the superpowers. To curb the increasing Soviet influence in Africa the US and EU powers toppled civilian governments, created proxy wars , supported brutal dictators and ruling clergies and devised schemes to make the African countries economically dependant and entangled with their global imperial capitalist system. On the military front US continued supplying arms to dictators like Joseph Désiré Mobutu in Zaire, Jonas Savimbi in Angola and Samuel Doe in Liberia. The newly formed underdeveloped states were provided with western Aid and Loans which distorted the terms of trade and terms of borrowing of the African countries in the favor of the aid and loan providers. The veil of western "Aid" encapsulated an entire process of appointing consultants from the donors, paying them from the aid package, implementation of recommended policies which bear no responsibility of failure on

the donor and consultants. The US and EU recommend free market policies for African countries, set out to privatize sub-Saharan health care and water supplies and natural resources, demand social services expenditure cuts and other policy dictates. Yet, EU and US continued generous agricultural subsidies to their farmers, which in turn protected their agro products against African agricultural produce. And the chief architect of this policy was the world's largest debtor nation with the largest deficit, United States of America.

The fall of Soviet Union and end of cold war changed the face of Great power intervention in Africa. In the mean time China also went through a dramatic change in its home front. After the death of Mao, from 1979 bourgeois elements in the party and society were able to gain control of power. With the change in the power structure inside the country, international role of China also got changed. The earlier practiced egalitarian International policy gradually made way for a foreign and trade policy that is no better than the imperialist forces. The Chinese bourgeois class in collusion with International capital formulated China's new economic policy which had transformed china into a cheap manufacturing base for the world. Cheap skilled & unskilled labour, ruthless ruling classes as partners and secured opportunity of profitable investment had made China the most favored investment destination for imperialist capital in the developing world. The new economic policy not only created a massive demand for Oil, Metals and Minerals, Timber, Agro products as raw materials to keep the export oriented economy rolling but also created a skewed income distribution in the Chinese society. An upper stratum of the petty-bourgeois and bourgeois class along with the bureaucratic bourgeois class is becoming filthily affluent where a majority of the working people are becoming poorer. The convulsive consumption of neo rich ruling classes in China has also contributed to increase the internal demands for Oil and metals in the country. The compulsion of sourcing the natural resources had forced the Chinese ruling junta to look forward to the continent of Africa. Building on it's previous good will and banking on the vacuum created by the absence of Soviet Union from 1990s onwards China slowly but surely developed political and business relations with African countries to a great

extent, emulating the imperialist forces.

African Oil: A Bone Of Contention?

African oil reserves of around 9.49%, which stand next only to the Middle East and Latin America have earned Africa the name "the Second Gulf region." China has already become second largest consumer of Oil after US. In 2006 China received one third of it's oil imports from Africa which is 9% of the total African export. US received 33% of the African oil export in 2006. Angola and Sudan are top two exporter of oil to China. While Angola export's it's 25% oil production to China, Sudan exports around 2/3 of it's production to China. In the first three months of 2008 Angola has surpassed Saudi Arabia to become China's single largest supplier of oil. Angola exported about 688,000 barrels a day on an average in the first three months of 2008 which is 55 percent more than a year earlier. The Republic of Congo, Equatorial Guinea (EG), Nigeria, Algeria, and Gabon are also major African supplier of oil to China. It is to be noted that Nigeria, EG and Chad export majority of their oil to Us but China has started sourcing oil from this countries also. The oil from Africa is preferred by the Chinese and as well as US refineries for their Low Sulfur contents which make their processing easier and yields higher.

US and Chinese Imports of Crude and Products from Select African Countries

January – June 2007

In the first six months of 2008 Africa has surpassed Gulf of Persia or Middle east as oil exporter to US. Africa accounted for around 19.78% of the total US import of 2,370,125,000 barrels of oil from Jan to Jun 2008 whereas Gulf of Persia accounted for around 18.75%. The top African exporting countries to US in the order of percentage of Us imports are Nigeria (8.38%) , Algeria (4.11%) ,Angola (3.89%),Libya(0.86%),Chad (0.78%) , Congo-Brazzaville(0.54%), Equatorial Guinea (0.48%) Gabon (0.33%),Tunisia (0.1%), Ivory Cost (0.08%),Egypt (0.06%) and Ghana (0.03%) for the above mentioned period. Except Algeria ,Libya , Egypt and Tunisia, who are considered among North African Countries, rest are from the Gulf of Guinea and this region accounted for around 14.65% of US import in first half of 2008.

The Gulf of Guinea is now the hub of

US activity in Africa with considerable US investment by Exxon-Mobil, Chevron, Occidental Petroleum in Nigeria, Angola and new found oil Resources of Equatorial

Thousand bbl/d	US	China
Nigeria	1,078	19
Algeria	721	26
Angola	582	465
Congo (Brazzaville)	76	99
Gabon	76	20
Chad	69	0
Equatorial Guinea	57	73
Cameroon	28	0

Guinea, Chad etc. EU oil giants like Shell, BP, Total and AGIP are also having huge investment in this region and in Northern African states; the traditional strong hold of EU. US policy to strengthen US energy security stressed intensification of cooperation with African energy producers both from North Africa and Gulf of Guinea. The volatile situation in Middle East due to Iraq war , ruptured relations with Iran, the growth of anti-American sentiments in Latin America and antagonistic relations with Venezuela and the rise of Chinese influence in Africa are the major factors determining America's rush to secure oil supplies from Africa. These compulsions came to play in easing of the economic sanctions against Libya in 2004 and immediate resumption of operations of US Oil companies there.

To protect its oil interests and investments in this bay and ensure regular supply, the US has planned it's African Command Force (AFRICOM) and in the process of setting up a western military base in Sao Tome/Principe 124 miles off the Gulf of Guinea coast. The US has already established military bases in Djiboti and Ethiopia in the eastern part of Africa which is also called the Horn of Africa. From 2007 onwards the US has launched a proxy war in Somalia where US backed and supported Ethiopian Forces invaded Somalia on the pretext of "War on Terror" to curb the power of Islamic Court in Somalia for their alleged involvement with Al-Quieda. The intension of the military intervention was to put up a puppet regime which will ensure absolute hegemony of US in the geo politically sensitive Somalia and Horn of Africa from where the US can protect its interests in

the middle east and as well as in the Gulf of Guinea and North Africa. Throughout the Africa US has increased it's military activity by conducting joint exercises and providing Military trainings to Senegal, Gambia, Chad, Niger etc in the recent past. US troops have also performed maritime drill in the Gulf of Guinea.

Comparable with the Olympic arena, China and US are trying to outmaneuver each other in Sudan and Chad, two neighboring states in the Sahara desert where Chad is situated in the west of Sudan. The strong presence of China in Sudanese Oil Assets, coupled with Sudan's Oil reserves and presence of US in Chad, is responsible for present escalation of crisis in Darfur region of Sudan. An internal conflict in Sudan over pastures and water sources between nomadic and agricultural tribes erupted in a catastrophic armed conflict which killed and displaced huge population .

In 1979 US diplomacy was successful in cajoling Sudan out of the Soviet ambit and subsequently US oil giant Chevron was invited to develop Sudanian Oil fields. Chevron found big oil reserves in southern Sudan . That oil triggered Sudan's second civil war in 1983. Chevron was target of repeated attacks and killings and suspended the project in 1984. In 1992, it sold it's Sudanese oil rights. A treaty between Southern Sudanese rebels and the Government on Oil profit sharing brought the civil war in southern to a temporary halt. Then China began to develop the abandoned Chevron fields from late nineties with huge success. Now 13 of the 15 most important foreign companies operating in Sudan are Chinese and Sudan exports 2/3 of its oil output to China .

A consortium led by US giant Chevron and ExxonMobil struck oil in Chad and commercial oil exploration and transport of the oil through Chad-Cameroon pipeline to Cameroon coast started in 2003. Collaborating with the corrupt Chadian dictator Idriss Deby , US started actively backing Chad based Darfurian rebels with arms. US also stated political propaganda against the Sudanese Government alleging conducting genocide in Darfur. The allegation of Genocide may provide the US with an international mandate to invade Darfur with a US/Nato led force. China continued their support to Sudanese Govt with arms and also shielded Sudan against

UN sanctions. The Oil reserves in Sudan and probable rich unexplored Oil reserves in Darfurian region of Sudan coupled with strategic location of the Darfur region is the motive behind the US move.

But the relationship between Chad and US are in troubled waters. The Chadian oil is primarily controlled by US and stringent conditions of World Bank (WB) loan for the Chadian oil pipeline has earmarked a small amount of the Oil profit for the Military spending of the Govt . In 2006 a Darfur-Sudan based Chadian rebel group attacked Chad and reached near it's capital. In 2006 president Idriss Deby decided to take more of the oil revenue for beefing up military expenditure. Subsequently the WB decided to suspend loans to Chad. In August 2006 Deby created Chad's own oil company and threatened to expel Chevron and Petronas for not paying Taxes and also demanded a 60% share in the Chad Cameroon oil pipeline .For the time being the matter was solved but Chad and Deby started looking beyond US /EU ambit and looking to China for future collaboration. China which had severed diplomatic ties with Chad , reestablished it after meeting with Chadian foreign minister in 2006 and in return Chad broke off ties with Taiwan which china does not recognize as an independent country. China committed a USD 80 million loan package to Chad for building a refinery near Chad's capital N'Djamena, roads and other infrastructure . China also secured oil exploration rights in Southern Chad .The work in the refinery is under progress with Chinese expertise. The influence of China over Sudan and Chad may calm down the Darfurian crisis and as well as Chad's problems with its rebels for the time being. In a way China has been able to establish itself as an assertive and stabilizing power in this Chad-Darfur-Sudan region overcoming the US/EU.

Tuesday, September 25, 2007

The imperialist forces colluding with local ruling clergies are continuing their Loot of resources from Africa and making super profits and competing among themselves to grab the African wealth. China is also acting like a new Imperialist force in Africa .The profits from the natural resources have swollen the coffers of Imperialists and ruling classes but people of Africa have been betrayed, left out and

repressed. The continent is reeling with poverty, malnutrition, child death, unemployment, hunger, famines, state sponsored repression on the people and conflicts. For the past fifty years Oil companies in partnership with successive brutal dictatorships and so called democratic governments have extracted hundreds of billions of dollars of profit from Nigeria and also from other countries of the Niger delta. The oil extraction activity have displaced people from their fertile farm lands, Oil leakages have polluted their creeks, which were full of fish and caused irreversible environmental degradation. Thus Oil industry have destroyed livelihood of millions of people in Niger Delta. The Nigerian government, hand in glove with the oil companies, unleashed repression on the people of the Niger delta when the people of the Niger delta started demanding their just share of the oil wealth. The Royal Dutch Shell conspired with the Nigerian Military regime and Judiciary to execute Ken Saro Wiwa, a Nigerian poet, author, environmentalist and President of Movement for the Survival of the Ogoni People (MOSOP), along with his eight comrades of MOSOP in a false trial in 1995. Ken Saro and his comrades were fighting

for the autonomy for the Ogoni people, a fair share of the proceeds of oil extraction, and remediation of environmental damage to Ogoni lands in the Niger delta in a non violent way. But the Execution of leaders repression on the people could not crush the movement of the people and militant peoples movements under the leadership of Movement for Emancipation of Niger Delta (MEND), Niger Delta People's Volunteer Force (NDPVF) have challenged the hegemony of the imperialist forces in Nigeria. From 2006 onwards due to militant activity of these people's forces, oil companies like Shell, Eni, Chevron have been forced to shut a considerable portion of their onshore oil exploration activity in Nigeria. In Africa people have started organizing against the exploiters. When Chinese president Hu Jintao visited Zambia he faced a huge protest by Zambian workers and opposition parties. They were protesting against the near absent safety norms in the Chinese operated Chambesi copper mines. In 2005, 51 miners were killed in a mine blast. The workers also protested against the prevention of trade union activities and ruthless oppression of workers movement demanding better wages and work conditions in the said copper mine.

Conclusion

Whether the current Chinese expansionism in Africa will bring China into direct conflict with former "oil-suckers" in Africa: US, EU and Japan or there will be a competing coexistence of all the opportunist forces in Africa; only the future can tell. As China is the largest trading partner of the US and the Chinese economy is intertwined with the world imperial capitalist system; the Chinese resource seeking in Africa is not against the basic interest of Imperialist Capitalism. But increasing assertiveness of Russia in the world arena and renewed activity of the Shanghai Cooperation Organization (SCO), a security block comprising of central Asian countries created by Russia and China in 2001, in the future may lead to a more antagonistic relation between the traditional imperialist block of US-EU-Japan and Russia-China lead SCO. Only people of Africa can defeat the 21st century Imperialist Scramble in Africa by rising in revolt against the local cronies and their Masters. The people should reclaim their just rights over the natural resources of the continent and should strive to develop the continent in a self reliant truly democratic path so that the specters of exploitation, poverty, hunger, malnutrition, disease created by Imperialism can be conquered. P t

US INTRUSION IN PAKISTAN AND SYRIA

In its brazen display of armed might the US army has gone berserk, intruding into Pakistan territory much too frequently and now it entered in to Syrian territory. As a self-proclaimed leader of global capitalism and general of the 'anti-terrorist war' the US being in a fathomless depth of economic crisis, has steadied its military drive against anti-US forces. In Afghanistan the USA and its allies have already reached a dead end in the war against anti-US forces. The 70,000 US led NATO forces stationed in Afghanistan have failed in their mission of wiping out the Taliban and other forces. And so another 8,000 strong American armed forces are slated to reach Afghanistan to strengthen the war-battered NATO forces. Simultaneously the US led NATO war planes have been frequently entering Pakistan territory resorting to carpet bombing killing hundreds of innocent civilians in the regions bordering Afghanistan. According to the Pakistan government, NATO forces violated international law by intruding into the

Pakistan area as many as 70 times till October 2008 and bombed the villages. As many as 18 missile attacks were carried out by that force in between August and October '08. The Pakistan government categorically stated that all those killed in these attacks were civilians. The Pakistan rulers had no option left but to register official accusations against the US led forces in face of the mounting protests in the country. It bears recall that USA launched missiles in to Libya sometime past ostensibly to destroy 'terrorist' bases.

While the Pakistani government is generally subdued for its pro-US position and the dependence on the US controlled IMF for the bail out of the current economic crisis, Syria has sharply reacted to the intrusion of the US helicopters into Syrian territory in last week of October '08. The helicopter borne commandos sprayed bullets in to the Syrian territory killing 8 people. The US officials falsely claimed that such operation was to crush 'terrorists'

undergoing military training on the Syrian soil. They also threatened further campaigns in the future. The Syrian government not only came out in protest against the US intrusion in its territory, it also declared closure of US run school and cultural centre in Damascus. Lakhs of people demonstrated against such criminal act of terrorism before the US embassy in Damascus. Syria has also suspended diplomatic relations with Iraq. So far America was issuing threats of attacks on Syria and now it went ahead to test the reaction. In Iraq it has been already in a quagmire finding no way out of the severity of the gargantuan problem of its own creation. With the grave financial crisis at home the US has no other option other than a military solution on a grand scale. But resistance and demonstration of people's wrath against US imperialism, the rise of Russia and China, and the anti-war sentiments in the USA itself have driven the US to desperation. P t

SIXTIETH YEARS OF AL NAQBA — SIXTY YEARS OF UNRELENTING PALESTINIAN RESISTANCE

Sujoy

TWO thousand eight, is the 60th anniversary of the continuous struggle of the Palestinian people for national liberation. Sixty years back Israel was created by the big powers of the world robbing the Palestinians of their right to their homeland. Since then the state called Israel expanded further by occupying more and more Palestinian territories. It is a saga of a heroic resistance of a freedom loving people for six decades against an evil and illegal Zionist state supported by US and other imperialist powers.

As the state of Israel celebrated 60th anniversary of its so-called “War of Independence” on May 14th, the Palestinian people marked the 60th year of their displacement, occupation and suffering. The Palestinians observe May 15th as the day that signalled beginning of “*al Naqba*” (the Catastrophe).

On March 10, 1948, two months before the formal cration of Israel, David Ben-Gurion and top Zionist leaders met secretly to finalize the plan, code named “Plan Dalet” to accelerate the ethnic cleansing of the Palestinians, which began in the 1930s with formation of Terrorist Zionist outfits such as the National Military Organization and the Stern Gang. As a part of this plan, Palestinian villages and towns were bombed, pillaged and depopulated in order to establish a Jewish state with minimal Arab presence. Ben-Gurion issued strict instructions that “every attack has to end with occupation, destruction and expulsion”. It was no surprise that massacres like Der Yassin followed. Around 800,000 Palestinians turned in to refuges, entire villages and cities were ransacked and destroyed in Tel Aviv, Haifa, Jerusalem and other areas. Hundreds of thousands of innocent civilians were killed, most of them in cold blood. **It was systematic and brutal cleansing of Arabs, that produced Israel 60 years ago.**

We learn from Sinha Flapin’s ‘Birth of Israel: Myth and Realities’ that “Zionist acceptance of the United Nations Partition Resolution of November 29, 1947, was a far reaching compromise by which the Jewish community abandoned the concept of a Jewish state in whole of Palestine and recognized the right of Palestinians to their own state.” [Quoted in the *Monthly*

Review, October 1988]. Facts, however, proved that it was a tactical move towards future expansion of Israel. The crude reality is that in that Israel, 40 percent would be non-Jews. Neither the Arab League nor the Palestinian Arabs accepted this scheme and soon after the formation of Israel hostilities started between Zionists and freedom-loving Palestinians. An Arab Liberation Army was formed while Zionists, who had already an army, strengthened it many times. The Arab armies from Egypt, Iraq, Lebanon, Syria and Trans Jordan attacked Israel on several fronts but they proved inferior to the enhanced strength of the Israeli army.

Then started a mass scale ethnic cleansing operations in Palestine. Cracks and greed of Arab states showed distinct signs. Golda Meier (later an Israeli Prime minister) and other Zionist leaders held secret negotiations with Trans-Jordan (later known as Jordan) king Abdullah, who wanted his state’s border and both parties in the negotiations, tried to thwart an independent Palestine. Thus after 1949 it was proved that the promised Palestinian state will not be possible without at first removing the Zionists. By about 2000, about 20 percent of the Arabs lived in Palestine under the extreme of threat, ostracization and repression and many have since been forced to flee to the Arab and other states.

Soon after the World War I, small streams of Jews came pouring from Western Europe into Palestine, establishing small colonies and towns. Soon after Theodor Herzl’s book, in 1897, in Basel city of Switzerland the first Zionist Conference was held. A programme was declared on the formation of a free Jewish State in Palestine. Thus Zionism received its first concrete shape. In 1902, the British government offered a proposal to the Jews to handover a 40 to 50 square kilometer area in Uganda in Africa. Herzl agreed but his associates opposed the proposal. Soon after this proposal batches of Jews reached Palestine. In Europe, the Zionist movement received some support for the fact that the Jews had been the victims of anti-Semitic politics for centuries. An interesting thing was that the Jews who settled in Palestine, migrants from Europe were befriended by

the native Palestinians. It was not something exceptional as communities of Sephardic Jews (known as Arab Jews who spoke Arabic and identified ethnically as Arabs) had been living in Palestine for long. Besides that, the migrant Jews brought with them their medical and agricultural knowledge that attracted the native Palestinians.

However, from the flickers of grievances actual problems were felt when the influx of Jews increased after the World War I. Jews were 6% of the Palestine’s populations in 1914 and by 1939, after the Nazi policy of extermination of Jews, the number of Jews in Palestine reached 30 percent. The Jews were long victims of anti-Semitism and then the Fascist onslaughts but in Palestine the increasing number of Jews not only changed the ethnic scenario, land was being alienated on a large scale from the Palestinians and the actual motive of the British government was abundantly clear. The US government could envision that a client Jewish Palestine would ensure Western interests in oil in the future. On 2nd December 1917, the British Prime Minister Arthur Balfour assumingly wrote to the British Jew leader Rothschild “His majesty’s government views with favor the establishment in Palestine of a national home for the Jewish people.” The Arab leaders strongly protested it. The influx of Jews created actual problems and the members of Arab League asked the British authority to stop the influx of Jews, enact rules to save Palestinian properties and demanded freedom of Palestine after the World War I. However, the Arab League did not ignore the question of the Jews.

In Palestine, Jews were a miniscule percentage of the population. Historically, the son of a priest made the first bid for a Jew state during the Ottoman Empire. In fact, it was one of the first historical efforts to mix religion and nationality for a separate Jewish state. However, much later, Theodor Herzl, a Hungarian, theorized a sustained movement for a separate state of Israel. He wrote a book on the Jewish state (*Der Judenstat*) in 1896 that became widely popular among the Jews, scattered in many countries. However, this theoretician of Judaism did not envision a Jewish state in the present Palestine for its location far

away from Europe.

The Holocaust, Israel formation and Palestinian Catastrophe of 1948 (known as the al Naqba) are a closely integrated phenomenon. Holocaust of the Jews is a horrible history created by Fascism in Europe. The victims of fascist brutality, the question of fanning Zionism, the capitalization of emotive issues, robbing the Palestine people of their right to their land and the highhandedness of the Western powers are issues that are to be seen in proper perspective to understand the Palestine question. 60 summers have passed by after the dispossession of Palestinians.

It is often kept under wraps that in Germany the extermination of Jews included large number of communists from the Jewish community. And Hitler was as venomous against the Jews as against the powerful presence of communists, among whom many were Jews. So the Holocaust victims were not solely the racial victims of Nazism. Such omission is deliberate to cover up the motive behind the formation of Israel directly supported and aided by big Western powers to make an Anglo-American base to help in their oil interests.

It was first the Zionist ideology and then the basically US design in the making of the Israeli policy that continues till now. The Zionist ideology, born on the Palestinian soil in the late 19th century grew and received all support from the Western imperialists who made it an issue to take over most of the Palestinian territory to build up a Jewish state. This Zionism was fanned with all possible ways by the British colonizers of Palestine, particularly from 1917. Judaising Palestine naturally meant de-Arabising Palestine and ethnic cleansing. In February 1947 British rulers had to leave Palestine and they left behind the ground work and horrendously criminal plan to activate the Zionist programme. In 1948, the conspiracy was meticulously hatched up and between February and October of that year the imperialists propped up the Israeli army that attacked and eliminated more than 500 villages and 11 towns, killing, ravaging and devastating the lives of Palestinians who were forced to flee in hundreds as refugees from their own land. This was ethnic cleansing, ironically on Hitler lines, with half of the population uprooted and the properties and cultural sites taken over by the criminal Zionists

with the connivance of the British mandatory government. For the ground work of ethnic cleansing and executing the Zionist plan even a decade back in 1936-39 when the Palestinians rose into a revolt, the British government calculatedly murdered and exiled most of the Palestinian leaders who had organized the rebellion. Thus by 1948 the Palestinians were almost reduced to a terrorized and defenseless lot, failing to put up a sufficiently fitting resistance to the Israeli army. The Palestinians virtually threw their lot with the ineffectual Arab League to redeem them from such distress and occupation of their land. The pan-Arab solidarity proved to be a failure time and again.

Glimpses of Past History

Christianity survived the crisis of Roman Empire after 400 AD. It had a small beginning in the previous centuries and then became the official ideology of the Empire. Jesus of Nazareth is said to have been born in Bethlehem in the Roman province of Judea, the New Testament says. Jerusalem was one of the largest cities of the Roman Empire. In the first half of the 1st Century poverty was however quite extensive, Particularly in Judea, Samaria and Galilee, leading to considerable hostility to the Romans as well as to a Jewish upper class that collaborated with the Roman extortionist governors. There was a near uprising against King Herod just before his death, in which 3,000 Jews are said to have died. Herod's son Archelus put down a rising, crucifying 2,000. There was a guerilla war in the countryside of Galilee led by a certain Judas who called himself as the "King of the Jews". The Roman rulers ruthlessly crushed one after another rebellion. Jerusalem frequently became a battle field. In all such bloody clashes, the class hatred of the Jewish poor against the Jewish upper classes mingled with the general hatred of the occupying Roman forces. Like in the Christian religion, class based differences found expression in different interpretations of the Jewish religion. Against the view of the rich who collaborated with the Roman Empire, the non-hereditary religious scholars coming from various backgrounds were inclined to favor the Pharisee School, emphasizing on strict adherence to the Jewish Law as found in the Old Testament relating to rituals and dietary rules, and they opposed the upper class collaboration with the Romans.

Another sect among the Jews called Essenes preached an escape route from the social evils by setting up monistic-type communities in the countryside without private property and also rejected slavery. Then the Zealots combined religious faith with political agitation against the Roman rule.

Jesus also preached in Jerusalem which was a hotbed of class conflict directed against the Roman Empire and religious stirrings. Christ's followers panned to other cities. Assyrian and Babylonian conquerors had deported the ruling classes of the Jewish states of Israel and Judea to Mesopotamia 500 years ago. Many of them had not returned when the Persian Emperor Xerxes restored Jerusalem to them. Thus the Jews spread to various places and got settled. Large number of other Jews had left Palestine to settle at different places in the Mediterranean region. Thus at the beginning of the 1st Century AD large Jewish populations got settled in every Roman city like in Alexandria, Rome etc. The Jews even with their various settlements maintained an identity as a separate community through their monotheism (single invisible god), rituals, dietary rules and observance of a day of rest. They were also expected to pay regular amounts for the maintenance of Jerusalem and pay a visit to the city for the Passover Festival. They focused on their Synagogue meeting places. Judaism also found many converts. Monotheism unlike the pagan religions with many gods associated with certain localities, had a unifying power for the urban traders, artisans etc, of different locations. This could build up a bridge to connect Jewish communities thousands of miles away with feelings of suffering Palestine under the Roman Empire. Yet, when the Jews of Palestine rose in revolt in AD 70 they did not find the chorus of rebellion by Jews elsewhere. Here we should keep in mind that Christianity emerged on the scene as a version of Judaism but incorporated emotive aspects from other religions and infused new elements on birth, death, love, kindness of a new world etc. However, with the cooption of Christianity by the Roman Empire it threw away its earlier message on purity and poverty, leading to dissidence. What emerged as a version of Judaism, the early Christianity dropped strict rules allowing people to be more attracted and

added popular motifs from the religions as embodied in the New Testament with lot of contradictions. It could appeal poor artisans and trades people along with the rich with power and wealth. The Christian message initially could provide consolation to the poor as well as a sense of betterment for the rich with some provisions of purifying guilt through confession, etc. Its power was vastly enhanced by the patronage of the Roman Empire, the bishops arrogating to the right to confirm the correct version of the doctrine. Heretics arose but the Papal power mingled with the state power and this continued for the next one thousand years. And Judaism that once became the universal religion of the masses lost much of its ground and Jews became scattered communities in Europe with some mythical link with Palestine of the yore.

Though being a Jew, Marx critically studied Judaism and the problems of the Jews. Marx supported the demand for civil rights for Jews, considering that civil rights would only confer political emancipation, an insufficient but necessary step towards human emancipation. Going against the famous German thinker Fichte who argued that the Jews themselves were unwilling to free themselves and that that Christians could not bestow freedom on Jews, for they themselves were not free, Marx stressed on the fact that for enjoying civil rights, the Jews could not be advised to shun Judaism. For Marx religion being a private affair, the state had no right to intervene in it. Jews comprised about 1% in Germany and yet had financial power emanating from successful commerce and trade. For Marx this power enable the Jews not only to demand civil rights and to infiltrate their social and commercial values in the civil society. The state also assimilated those values. His criticism of Judaism as a religion was based on dialectical materialism posting it in history.

It is a fact that the Jews faced repression when the Roman Empire adopted Christianity as the state religion, leading to the exodus of many Jews from Palestine. The Roman Empire created extensive poverty and resorted to extortionist levels of taxation to pay tribute to Rome. The people rose in revolt against the Romans and the Jewish upper class, the Jewish Kings invited the Romans in 139 BC. Jerusalem saw repeated riots and revolts.

Mention may be made of a huge guerilla war in the countryside of Galilee led by certain Judas who identified himself as the "King of Jews". In a near uprising against King Herod, about 3000 were said to have died. It must be made it clear that like in Christianity, class differences were quite obvious in various interpretations of Jewish religion like the Sadducee School, Pharisee School, the Essenes School etc. After the Crusade many further went into exile. However, during the rule of Salauddin many Jews came back to Palestine.

Jerusalem then became a center of competing religions of different classes in respect of the Roman Empire. The Jews, even before Christ were dispersed people. Many Jews had left Palestine to settle in the Mediterranean region. It was found that by the 1st century AD large Jewish populations in about every Roman city as scattered communities. Yet, over centuries the Jews maintained their identity as a separate community with their belief in a single god, dietary rules etc.

History records that the new Monarchies and absolutisms that developed in France and Italy were more virulent than the old feudal order. The joint monarchs, Isabel and Ferdinand in Spain conquered the Moorish kingdom of Granada and fought wars over territory in Italy. Marriage alliances ensured the relationships between Spanish monarchies and Henry VIII of England. Isabel and Ferdinand of Spain followed the conquest of Grenada and committed inhuman crimes that the Islamic kingdoms meted out to Christians. The Christian rulers used the inquisition to convert to Christianity. By the 17th century, along with 900 years of Muslim population, the Jews were expelled on a large-scale. The Jews were tolerated by the Muslims for so long a period and now they dispersed to North Africa, in the Turkish-ruled Balkans and Eastern Europe.

The Palestinian territories had seen many centuries of colonial domination and occupation. During the 500 year rule of the Ottoman Empire the Palestinians not only endured mass oppression but also created a rich literary tradition. The First World War thrust the Palestinians under the British Empire through the mandate system. However, new urban trade centers like Ramallah and Nablus emerged. Many news papers like Filastine, Mirat-al-Sharq, and Palestinian Bulletin went into circulation

and an atmosphere was created to keep the Palestinians posted with the developments from Haifa on the coast to Jenin in the North to Jericho near the Dead Sea.

Arab Nationalism

The spread of Islamic faith after the death of Prophet simultaneously spread Arabic from Saudi Arabia to Kuwait, Qatar, Oman, Bahrain, Yemen, Lebanon, Syria, Jordan of West Asia to African Sudan, Egypt and then to the countries South of the Mediterranean Sea like Syria, Tunisia, Algeria, Morocco etc. and in all such states Arabic was adopted as the state language. Through the struggle first against the rule of Turkey and then against Anglo-American imperialism pan-Arab nationalism emerged but that could not materialize with splits, interventions by Anglo-American-French conspiracies, betrayal of the Arab rulers since the setting up of the state of Israel. What has come to pass is a chronic rivalry among the Arab states. When in 1958, the then president of Egypt, Nasser wanted to build a united Arab world none except Syria responded to it and it too withdrew from this bid in 1961. Even against Israel the Arab states had repeatedly proved their weaknesses and submission to imperialist pressures. In 1991 Gulf war, when the US was attacking Iraq, no Arab country stood by Iraq. After the defeat in the war with Israel, the president of Egypt stooped so low to strike up notorious Camp David treaty. And what failed the pan-Arab nationalism was the statist concept that ignored nationality sentiments of various Arab countries and did not take into account the fact that Arabic is not the mother tongue of the people of most of the Arab countries except that of Jordan, Yemen, Saudi Arabia etc. And the absence of the strong Marxist, left movements, as present in the 1950s, has made it possible the US conspiracies, aggression and domination using Israel as a pro-US client state to loot oil resources of the Arab countries.

The Arab countries are obviously class divided and in some of them feudo-religio monarchy prevails. Some of them are quintessentially pro-American. The Saudi monarchy supplies half of USA's oil needs. It is now clear that American imperialism endorsed the oil price rises by OPEC in the 1970s. What gladdened it was that going to be a move more unjust mechanism by which many of those oil rich states with

greater revenue would be greater importer of armaments from the West, the US in particular. It was found that by late 1970s Saudi Arabia and Iran topped the list of arms Importers from the US and other Western countries. A report in the British media in 2007 said that the British Minister of Defence paid one Billion Pounds to prince Bander of Saudi Arabia following Britons big arms deal with that country. Briton's big arms dealer BAE Systems spent up to 120 million pounds a year in to two Saudi accounts in Washington. ARAMCO (Arabian American Oil Company) operates the oil industry in Saudi Arabia and this company receives ample favor from the USA.

Arab Summit and Failure of pan-Arab Unity

Avraham Sela in his well researched book [The Decline of Arab-Israeli Conflict Middle East Politics and the Quest for Regional Order, State University of New York Press, 1998] concluded that after more than 20 summit conferences between 1964 and 1990 of Arab states basically to diffuse intra-state problems vis a vis Israel along with the general call for a solution to Palestinian question the ethno-national identity was distinctly giving way to economic considerations. And a shift from 'Pan-Arab regional system' was already visible despite trails of affinity firmly rooted in cultural bonds. The entry of US imperialism and then another super power the Soviet Union could do enough to fish in the troubled waters, to the satisfaction of Israel. The World War II saw the emergence of the Arab League (1945) as an expression of Arab sentiments for a commonality of objectives but of disunity remained in it as the British government had a direct role to protect its oil interest. So it is natural that after more than half a century it is clear that Pan-Arabian, anti-imperialism through united Arab moves, and Arab socialism have given way to splits, contentions and regional hegemony while the Palestinian question has not at all lost any relevance till date. The first Arab summit in 1964, and the next two, tried to move away from the inter-Arab struggle for hegemony and resort instead to collective Arab action to deal with the river water problem (along with denial of water to Israel), the establishment of a joint Arab command and initiation of action to organize the Palestine politically. This could

happen in a short-lived unity of the Arab countries and intensified struggle of Palestinians. There also happened temporary unions of Syria and Egypt to form United Arab Republic (UAR) and of the UAR and Iraq. All Arab countries at least rhetorically has shown eagerness for the Palestinian cause and anti-imperialist struggle. However, a strong radical trend was emerging in the Arab states. There was a psychological defeat of the Arab states after Egypt's Six Day War of June 1967 with Israel met with dismal defeat. The acceptance of United Nations Security Council Resolution No. 242 by Egypt and Jordan in November 1967 brought about clear splits among Arab states. The world saw the Islamic Summit in September 1969 organized by Egypt with the US support, which was boycotted by Syria and Iraq. In that very year in December another Summit at Rabat took cognizance of the boost to Palestinian nationalism, getting strengthened in the post 1967 period. But the betrayal was soon evident in the summer of 1970 when the Jordanian Army demolished the Palestinian camps that were launching battle against Israeli Zionists. It was clearly at the prodding of the U.S. Many Arab states fumed and snapped relations with Jordan. However, the Egyptian declaration of a war on October 6 in 1973 surprised Israel, downed its self-confidence and a bitter taste of humiliation. However, Egypt knuckled under pressure and it along with Jordan signed the shameful Disengagement of Forces Agreement on January 18, 1974. The Arab unity was officially broken for ever. Soon Syria invaded Lebanon and then the 1975 civil war (between the Christians and Muslims), which killed 50,000 people, was evidently a US-Israeli ploy. Abraham Sela writes, "The Syrian invasion of Lebanon was preceded by tacit understanding with Israel, mediated by the United States, on a 'Red Line' delineating their respective spheres of military presence on Lebanese soil" [pp. 180-181]. The Syrian army confronted with the PLO in Lebanon created a considerable stir that, however, was temporarily pacified by another Arab Summit in October 1976 but the stage was set for a substantive move by the PLO in 1977. By this time when the Palestinian question got an enormous boost, the US diplomatically maneuvered with a clear Soviet support (The US -Soviet communiqué of October 1, 1977) that

culminated in Egypt's November 20, 1977 reconciliatory tête-à-tête with Israel further aggravating the fragile Arab unity vis a vis Israel. In this meeting Israel could neutralize the Egyptian factor and formally put forward a plan for Palestine autonomy in the West Bank and Gaza Strip, rejecting the sovereignty over those areas by the Palestinians. The infamous Camp David Accord was the outcome of this reconciliation. The Arab camp was distinctly shattered with Morocco, Sudan, Somalia, Oman and Tunisia supporting the Egyptian President's Anwar Sadat's signing the Accord while strong denunciation coming as it did quickly from Syria, Iraq, Libya, Algeria Yemen (PDRY) and of course from the PLO. The explicitly pro-US states like Saudi Arabia, Jordan and Gulf Emirates kept a calculated mum over such a betrayal. But the politics of summitry was yet again revived by an Iraqi initiative in 1978, that formed an Arab Fund of \$ 3.5 billion a year for 10 years for the states involved in confrontation, the PLO and the Palestinians in the occupied areas and decided a sanction to be imposed against Egypt if it signed a formal peace treaty with Israel. But the consensus soon vanished with the Iraq-Iran war two years later. Yet another Arab summit was convened on 20, 1979 in Tunis but no decision on sanctions against Egypt was taken along with this a proposal to consider sanctions against the US finances, aid to Lebanon and to the states involved was further deferred. The Arab summit in 1980 in Amman was simply boycotted by Syria, Lebanon, Algeria and the PLO. By this time Israel stepped up its move to fish in the troubled waters in Lebanon, supporting openly the Lebanese Christian in the civil war. The Iraq-Iran war, Egypt's betrayal and then the ostracisation of it, the invasion of Lebanon by Israel in 1982 and the pathetic plight of the people there temporarily marginalize the decades long Palestinian question. The next Arab summits only showed the splits of Arab states and US maneuvers to outshine the Soviet imperialists in the Middle East. The PLO under Yasser Arafat too gradually bent itself after the dispersal of its bases in Lebanon, in 1985 Arafat and King Hussein signed the Amman Accord for a peace process, and in 1988 Arafat conceded the question of negotiations with Israel.

But what the politics Pan-Arabian or frequent summits failed to deliver. The first *Intifadah* (uprising) starting in December

1987 could do eminently. The uprisings from inside occupied territories decisively altered the scenario breathing into the Palestinian society a spirit of rebellion simultaneously sending out a powerful message that the American-sponsored status-quo over Israel's occupation of the West Bank and the Gaza Strip as well as the right of self-determination of the Palestinians was no longer an answer. The first *Intifadah* or the massive and sustained uprising in the West Bank of Gaza, massive in its grand sweep and after 9 months, 221 Palestinians were killed, thousands sustained bullet injuries and more than 6,000 West bank and Gaza Palestinians were held in detention, wrote the New York Times, 19 August, 1988.

The pressure of the people's support to the *Intifadah* was so monumental that the Saudi Arabia and the Gulf Emirates had to come with financial aid to the Palestinians. US imperialism received the rude shock when it realized that the *Intifadah* was going to be a sustained and organized one. It made no delay in producing a plan with its focus on the Palestinian self-rule minus self-determination.

The Oslo Peace Accord between Israel and the PLO in 1990 promised some rights on paper some rights on Palestinian's right to central Jerusalem's Islamic shrines, restrictions on the Jewish settlements etc. But the Israeli government led by Barak ultimately gave a noisy burial to such promises in 2000 itself, with intensified terror on the Palestinians.

Zionism and Expanding Israeli Territory

Mohammed Hasnain in his book *The Road to Ramadan* (Collins, London, 1975) records a peace mission that Romanian foreign minister undertook to Egypt in 1968 after catastrophic losses at the hands of Israel in 1967. Gamel Abdel Nasser, the then Egyptian president raised a simple question to the peace mission if Israel could place before him and the world a clear map displaying the final boundaries of the Zionist state. Heikal, the Egyptian statesman and journalist, writes that the peace effort failed with Israel's strong disinclination to answer to the Nasser poser. When Israel's Prime Minister Ehud Olmert announced that Israel would define its boundaries by 2010, one can simply dismiss such a pronouncement given the

expansionist record of the Zionist regime. Olmert, as leader of the Kadima party won the elections in January 2006; he was the successor of the notorious Ariel Sharon who openly told his belief in a Greater Israel stretching from the River Jordan to the Mediterranean. Olmert announced in the late 1980's, when the Palestinian Intifada was just incipient that the Arab "demographic threat represents a danger to all our forms of life." Irrespective of under what party Israel is ruled, the expanding Israeli borders are a reality. But one thing is clear that Israel has been passing through acute economic problems and widening economic disparities. Some small political formations have questioned the various Zionist policies, vast expenditure for building illegal Jewish Settlements, military expenditures and some even raise the demand to declare Israel a bi-national state.

With the US support and all sorts of favor Israel has so long met the resistance of the Palestinians with its patented racist tactics of demolition of Palestinian homes, population transfer, calculated assassinations of Palestinian leaders and economic siege.

Encirclement Of Palestinians And Their Perennial Resistance

Palestinian society, politics and economy have been further atomized (fragmentation of Palestine people) and brutalized since the Oslo agreement of 1993. The Palestinians in Gaza and West bank are now in starvation with skyrocketing unemployment and all-pervading terror. The Oslo Agreement that Arafat and other reconciliatory leaders were too eager to strike up and signed with a false image of the future have since legalized Israel's Zionist programme and in a good measure truncated the earlier cohesiveness and the chorus of mass-scale resistance power for the right of self-determination of the Palestinians. The earlier robust nationalist struggle against the Israeli occupation, with the left



leaning, secular ideological moorings eminently tangible as leading lights have taken the back seat and the current struggle, obviously uncompromising and sticking to the fundamental demand of self-determination, is basically led by forces with various strains of religious nationalism embedded in Islamic milieu. The first *Intifadah* in 1991 with mass rebellion scared the Zionists and Uncle Sam in particular. The Oslo Agreement they considered as a crying need to contain another higher level of upsurge and they met with a success with power-happy moderate leaders like Yaser Arafat surrendering to the conspiratorial pressures for accepting Israeli terms and conditions for further subjugation of the Palestinians. Western media and imperialists hurriedly cheered up those leaders but what came up ostensibly as a settlement for the Palestinian question was in reality an unbridled, stepped-up campaign to radically alter the demographic character of Gaza and East Bank and to calculatedly set up disintegrated hamlets of Palestinians encircled by Jew population with military restrictions at every point on the Palestinians on their free movements. The criminal design and its consequence

greatly emasculated the joint move of thousands of Palestinians against the Zionist rule. The scope of mass resistance being profusely curtailed, the Palestinian fighters have since then resorted mainly to armed attacks in groups as well as suicide attacks on the Israeli armed forces. **Yet what is significant is that despite the lack of a unified strategy Palestinians stubbornly refused to surrender and the just struggle is on against Israeli Zionists and their imperialist masters.**

The Israeli inhuman policy hinders the free movement of the Palestinians, using hundreds of roadblocks and checkpoints that now exist 546 in total. Thus the interactions or any accessibility between Gaza and West Bank or between Israel and the outside world have been forcibly stopped. With the second *Intifadah* the regimentation of the Israeli rule and atomization of Palestinians have been further intensified robbing them of minimum rights to existence. The conspiracy of discriminatory zoning against the Palestinians has devastated the Palestinian economy and the relentless checks and obstructions have even negated the people normal shopping, having health care facilities, schooling of the children, cultivation of the land etc. The migrant working class has now been excluded from jobs in Israel. However, the creamy layers of self-seeking Palestinian leaders do have some relaxations.

Since January 2006 when Hamas won in the elections in Palestine, Palestinians have been further reduced to harsher treatment and economic blockades and international sanctions compounded the problems for the Palestinians.

Colonization by Israeli Jews on a mass scale in the occupied Palestinian territories is a state-sponsored programme. In 2000 during the Ehud Barak government, colonization vastly increased with the construction of about 4,800 new housing units. Such land grabs under colonization process in Palestinian territorial contiguity is shattered. With the rapid pace of land grabs in 2007, 450,000 settlers had seized lands in West Bank and East Jerusalem. The notorious development is the 703 km Wall, nearly completed, incorporating the most of the Israeli settlements, 85 percent of it covers the west Bank, annexing 16 percent of its territory. It is estimated that with the completion of the Wall over 400,000

Palestinians would be surrounded partially or completely. The demographic change in the in the occupied Palestinian territory was tellingly brought by the International Court of Justice in July 2004 itself showing that in that territory 320,000 individuals from Israel outnumbered 237,000 Palestinians and the Wall would force around 160,000 other Palestinians to reside encircled by other communities. The Wall, for example that surrounds the Qalquiliya city of 40,000 Palestinian people, who can only enter and leave through one military checkpoint open everyday from 7am to 7pm.

Frequent invasions of Palestinian areas, assassinations and destruction of Palestinian properties, killing of Palestinians have been regular phenomena. The Zionist government forces of Israel killed 4,000 Palestinians since the al-Aqsa *Intifadah* and thousands are still in Israeli prisons. The ferocity of Israeli attacks can be found from a report presented at the UNO General Assembly in 2006 that Between June and November 2006 alone Israel killed over 400 Palestinians and injured 1500, conducting 364 military incursions in to Gaza.

Capitulation of the PLO/PA

With the assumption of power by the PLO, the persistent Israeli attacks and strangulation of Palestinian rights increased. The PLA also did its notorious duty to wield control over the Palestinian society with its armed measures, political repression and authoritarianism to fulfill Israeli demands of containment of Palestinian's unputdownable desire of self-determination. Arafat became a willing tool of imperialist designs and he went on record on 9 September 1993 that "the PLO renounces the use of terrorism and other acts of violence and will assume responsibility over all PLO elements and personnel in order to assure their compliance, prevent violations and discipline violators." This speech bristles with reconciliatory desires of abject surrender and assurance to the West and Israel's Zionist government to their duty of strangulating all forms of resistance by the Palestinians, a fall out of the Oslo Agreement. This also was an infamous bid to legitimize Israeli's acts of strangulating the struggle for self-determination by the Palestinians, forcibly occupying their territories, disintegrating the Palestinian communities and robbing the Palestinians

of their right to free movement. Thus the Palestinian self-government under the PLO emerging as it did through the Oslo Agreement proved a puppet to the satisfaction of the Pentagon. The Palestinian Authority (PA) became an organization of corrupt bureaucrats with powers of patronage and cooperation, forcing thousands of Palestinians dependent on it for jobs and quelling all trade union movements. One recalls that even during Camp David negotiations in July, 2000 Arafat could not go to that extent of servility.

The principle groups that now lead the resistance are Hamas (most prominent and powerful), Popular Front for the Liberation of Palestine (PFLP) and Democratic Front for the Liberation of Palestine.

Other than sporadic attacks, the current forms of struggle are, suicide attacks, massive candle light marches, funeral processions the concept of mass resistance in the form of uprising has been reduced.

Hamas Victory

In January 2006 legislative elections Hamas received the popular support of most of the Palestinians defeating the Fatah. Its Reform and Change announcement unambiguously reiterated the right of self-determination of the Palestinian people in Gaza and West Bank along with the inalienable right of defence of the Palestinian people. However, it continues to stick to its programme of Islamising the Palestinian society which has received the support of only a minority of 13 percent. Its broad welfare programme apart, its determination to carry on the struggle has breathed a militant spirit in the hearts of the Palestinians. The Hamas victory has so much scared US imperialism and its Zionist Israeli government that all forms of attacks on the Hamas, even on the elected representatives, have been the order of the day. The US is toying to topple the Hamas rule.

Neoliberalism's attack with the Globalization programme was synchronized with the US supremacy on the globe. Bush's declaration of 'war on terror' placing 'Islamism' or even 'Islam' as the 'enemy of the West' in situation of retreat of the revolutionary Marxists has created conditions for the radical Islamism. As anti-Americanism and the anti-US struggle is demonstratively launched after all-out attack inflicted on Muslims, the religio-

social-economic factors have blended to do the main battle in Iraq, Afghanistan, Palestine, etc, as a significant force. Although we Marxist prefer socialist secular forces.

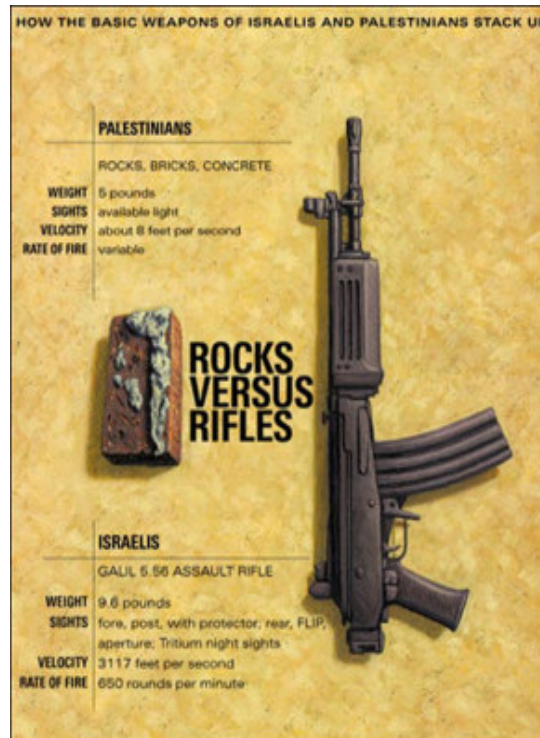
Huntington's theorization of the clash of civilizations, ranging Europe plus America with Christianity against the Muslims in West Asia and other regions of the world is an international conspiracy and Israel is mainly the US base in the Middle East to ensure the supply of oil from the Gulf countries. The American 'War on Terror' programme that is basically spearheaded against the Muslims, in the absence of the powerfully revolutionary left on the globe right now, is to control the oil fields and service the geo-political interests of the US in Asia. Islam-phobia is deliberately spread to buttress the US hegemony. Interestingly, the burgeoning capitalism in Europe and the financial imperialism did not pit Christianity against Islam to a scale as found in the present stage of imperialist globalization. The reason lies in the resistance against the US, particularly by the Muslims living in West Asia.

The Middle East, with its huge oil reserves, has been the most covetous region for the imperialist powers. Britain first extended its sway in the Middle East during World War I by striking a deal with the ruler of Mecca, Sharrif Hussein, assuring him all the territories ruled by Turkey. The British government simultaneously promised Zionist leaders that it would allocate Palestine to the Jewish settlers from Europe. The vision of a Jewish state in Palestine even before the Holocaust under Nazism was farsighted in view of a future Arab threat to the nearby Suez Canal, the shortest route to the transport of oil and armed forces against the emerging Arab nationalism. It was not without reason that the prominent Israeli political leader Abba Eban had it to confirm later: "We would help Britain become the ruling power and Britain would help us to develop the Jewish National Home."

The British imperialist policy of double-dealing did not last long. Initially British firms got their hands on the oil resources of Iraq and Iran while Jewish Volunteers in Palestine sided with the British to suppress revolts of the Palestinians that had assumed serious dimensions in the 1930's. And then the British imperialist policy started to

backfire. There were large-scale acquisition of lands by the Jewish settlers in Palestine making hundreds of peasant families leave their lands to which they had their roots tied over centuries. In the late 1930's, circumstances forced the British government to restrict Jewish immigration in order to dispel the fear and diffuse the discontent among the Palestinians. This policy simply antagonized both sides. Both the Jews and Palestinians had been farming paramilitary groups for the past two decades. The British army now faced double blows, from the Jewish as well as Palestinian side. The Arabs intensified their attacks on the British army. The escape route was apparently found in the withdrawal of British troops in 1947 but the British interests in the oilfields were served by the British puppets, the monarchies in Iraq, Jordan and Egypt. With the British withdrawal, the major powers, the US and the Soviet Union jointly backed a United Nations resolution on dismemberment of Palestine and establishment of Israel with half of Palestinian land area for one third of its population. The original centuries old Palestinians became the victims of this dangerous bid. The US profusely supplied arms to the Israeli army that started attacks on the Palestinian Arab villages. In Deir Yassin, a village had seen the brute massacres. At this point, the Arab monarchies sent an ill-organized army that could only grab a mere 20 percent of original land and it was divided between the kings of Egypt and Jordan. Now Israel could be the Zionist state, armed and financed by the USA.

In Egypt the nationalist forces utilized the anti-monarchy sentiments and defeat at the hands of Israel. Abdul Nasser rose to power ending the rule of pro-British monarchy. Nasser's immediate effort to nationalize Suez Canal owned by Britain and France led to the joint attacks of Britain, France and Israel in November 1956. Nasser retreated but entered US imperialism exploiting the declining British strength in the Middle East. The anti-British movements spread and immediately the British backed Iraqi monarchy was replaced in 1958. The US carried on the old British



policy of wooing and arming the Zionists along with collaborating with the Arab client regimes. Saudi Arabian monarchy became its main support base. Saddam Hussein was allowed to occupy the seat of power in Iraq in 1962 and in Iran the Us helped to re-establish the rule of the Shah in 1953. Thus the Middle East came under the US hegemony. Israel's power was tremendously enhanced. The Arab-Israeli war of 1967 and 1977 are too known to repeat here. Israel invaded Lebanon in 1982. And the US directly entered the scene by invading Iraq in 1991 and again in 2005 and still occupying it. And in all such surcharged situations Israel proved to be the main US base to ensure the steady supply oil wealth for the US.

Since 1967 war Israel still occupied some parts of Jordan and Syria. But those states and Saudi Arabia have persistently followed US dictates. During the Gorbachev period eight lack Russian Jews immigrated to Israel. The deliberate policy of establishment of Jewish settlements in Gaza and West Bank areas of Palestine has been followed with the aim that if autonomy is ultimately given to those regions the Jews will dominate the scene.

George Bush lied to the people that Iraq under Saddam Hussein had nuclear and biological weapons. But Israel developed into a nuclear power with the imperialists' (basically the US) support. In 1949 French

nuclear scientist Francis Perrin came to Israel and helped locate Uranium in the Negev desert, in 1952 Israel formed Atomic Energy Commission, in 1953 came the Israeli-French nuclear cooperation, in 1955 the US joined the nuclear cooperation, in 1966 Israel did its nuclear tests in Negev, in 1968 the CIA confirmed that Israel possesses nuclear weapons, then occurred a succession of nuclear tests, particularly with South Africa. Now it possesses a large number of nuclear weapons along with a large stockpile of chemical and biological weapons. [Hersh, Seymour. M, "The Samson Option: Israel's

Nuclear Option: Israel's Nuclear Arsenal and American Foreign Policy", Random House, New York, 1991]

Israel and American imperialism are desperate to capitalize on the Hamas-Fatah contradictions. On 14 June 2007, the Hamas army even rooted out Dahalan's apparatus and took over the internal security of Gaza. The intra-group clashes invited strong criticisms and the Hamas bid to resolve such contradictions through recourse to arms was not taken kindly by various Palestinian organizations. Abbas exploited Hamas's strategic blunder, declared a

national emergency, dissolved the unity government and instead formed a new government by US barrowed Salam Fayyad, to the satisfaction of the US and Israel. Thus the political separation between a Hamas run Gaza and a PA run West Bank has come as further disintegrating the Palestinians. The need of the hour is a comprehensive strategy unifying all genuinely anti-Israel, anti-US forces to launch attacks on the Zionist government and to thwart all US bids for meddling in the affairs of the Middle East. P t

ATTACKS IN MUMBAI — CAUSES AND SOLUTION

WE weep not for the death of the corrupt and fascistic police officers but for the innocent citizens of Mumbai wantonly killed in the attack of Nov. 26th. We weep not for the Tatas, Oberois and other big wigs of India and abroad but for the innocent employees and professionals caught in the cross-fire between the Islamic militants and the Indian State. The taking of innocent lives will not put an end to the terror of the US gangsters and their Indian stooges aimed at the people in general and Muslims in particular. The target of any just movement must be the very perpetrators of the evil and their political and financial backers.

On Nov. 26th Islamic militants, it appears from Pakistan and POK, launched on a sophisticated attack in many places of Mumbai killing an estimated 250 people and injuring over 500, a number of which were foreigners. The main focus of the attack was the two most elite hotels of Mumbai, Taj and Oberoi, and the Israeli center, Nariman House. They shot also randomly at people at the VT station and also at the neighboring Cama hospital. Around the Metro station (1 Km from VT) they shot and killed ATS (anti-terrorist squad) chief, Karkare, ACP, Ashok Kamte and 'encounter specialist' Salaskar. In the battle at the Taj a major and Havildar of the NSG were killed. In all it was reported that at least 16 police/NSG men were killed. Reportedly 9 of the militants were killed and one was arrested in an injured state.

On Nov 27th as the gun battles were on a Hindi evening from Delhi (Sandhya Times) reported that one of the militants holed up at the Oberoi rang up a TV channel and put forward the following demands,

speaking in Hindi: 1) Stop disturbing (*tang*) Muslims in India, 2) Act like the destruction of the Babri Masjid disturb us, 3) Release all Mujjahiddins that are in Indian Jails, and 4) Only after releasing them will we release the hostages held in the hotel. But instead of negotiating with the attackers the Indian government and their advisors in the US and Britain began a massive attack which resulted in a three day battle and the loss of enormous lives. Also these demands were never propagated and consciously suppressed, and the entire public is made to believe that they had no demands. What has been fed by the media to the public is only the official version that has numerous loopholes — even the body count mentioned has kept varying.

It is reported that some of the militants came in a boat (from where it is not clear — once it was reported Karachi and another time it was reported Saudi Arabia) — hijacked a fisherman's boat near the Mumbai coast and entered a Mumbai fishing village at Colaba unnoticed. Others had taken a room at the Taj four days earlier. Where yet others came from is not known. When the ATS and Mumbai police proved ineffective the elite commando force, the NSG, was called in from Delhi. The papers are also reporting that the Mujjahiddins had assistance from insiders. Later the Army also participated. The militants were heavily armed and highly trained in warfare. In all probability there were much more than the number reported and the rest would have got away.

The real facts behind this incident will probably never come to light but the government will utilize it to further whip up a phobia and increase the fascist terror in

the country. But the question is that why do these Islamic militants adopt such desperate means to fight their battles? Internationally it is the result of the US's brutal attacks on Iraq, Afghanistan, threats to Iran and attacks on Muslims in all corners of the globe. Many of the Mujahiddin were in fact trained by the US itself during the years of its contention with the USSR. Lacking a scientific ideology and having only the limited ideology of Islamic fundamentalism many of these groups only act out of a sense of injustice and revenge with no clear-cut military perspective. Killing people at random is in effect counter productive and only assists the state apparatus to create a fear psychosis to introduce its own terror laws and acts.

In India the rulers, egged on by their imperialist masters, have created hysteria against Muslims in a conscious bid to divide the masses of the country. It is not only the BJP and their fascist outfits that resort to such Hindutva psychosis but all the political parties do so in one way or another. Muslims have been massacred but never is any Hindu fascist apprehended, except some petty scapegoats. The ATS of Mumbai has a horrible record of humiliating, torturing and harassing Muslims in the city. Ever since 1992, when it was formed, at regular intervals, it has been raiding Muslim *bastis* and picking up hundreds of Muslim youth beating, torturing and extracting confessions from them. Hundreds are falsely charged and incarcerated in jails. No Muslim is secure in the hands of these forces. And then there is the Kashmir factor which is virtually a nation under occupation by the Indian forces. We have just witnessed the horrors unleashed on the

people of Kashmir and the resultant anger.

In Pakistan the situation is highly complex after the dismissal of the Musharraf regime. In the US geo-political strategy Pakistan is an important factor in Afghanistan and against the Taliban. A section of the ISI and army continue have pro-Taliban and Islamic sentiments, while the major sections bow to the US's plans. The action in Mumbai seem to be of elements from the POK region and could be non-state forces with high levels of training by secretive ISI or military personnel or could be by a section of the ISI itself. The former is the more likely.

Since this action the ruling classes of both the countries have whipped war hysteria and have conveniently utilized the event to divert from the serious problems of both countries. In the wake of the financial meltdown worldwide Pakistan's economy virtually went bankrupt creating much economic hardships to the masses. Besides, there is need for the ruling elite in the Armed forces, who dictate policy in that country, to divert attention from their 'failures' on the eastern front. India too needs to divert attention from the horrifying effects already being felt by the worldwide economic crisis; as well as from the recent exposures of the Hindutva fascists' involvement in terrorist acts.

Besides, the Muslim community India is heavily infiltrated by the Indian intelligence and often innocent youth are provoked to throw bombs amongst the people (mostly poor) to enable the state to whip up their hysteria and resort to greater terrorist acts. Here too instead of joining with genuine democratic and revolutionary forces in the country some of these turn to Islamic fundamentalism. Many are of course pushed in that direction due to lack of a consistent opposition of these forces against the Hindutva brigade and in fact a soft Hindutva upper-caste approach of many a so-called democrat and even revolutionary.

Though such random attack serves no real purpose and many an innocent are killed, the only solution to the problem is to grant *Azadi* to the Kashmiri people, stop the attacks on innocent Muslims in the country, wind up the Hindu fascist networks and stop playing stooge to the US ruling gangsters. As and when such steps are taken such acts will immediately

stop. Innocent civilians should not be targeted in these battles. But for both the Islamic fundamentalists and the US or Indian State, they will not care. For the Islamist fundamentalists they treat all non-Muslims as enemies, so kill at random; for the state force killing of civilians is mere 'collateral damage' and so justified. It is with this approach that in the latest attack the Islamists killed innocents and the Indian government did not even try and negotiate and let all the hostages be killed.

Ironically at a meeting of top police officers and Home ministry officials, held just a couple of days before this attack, the PM waxed eloquent on how the Naxalites are the prime threat to the internal security of the country, though he knows very well that all such bomb blasts in the public places and such attacks are never a part of the Maoist agenda. He continues his tirade against Naxalites, whose only agenda is fighting for the poverty stricken masses of the country. The PM and his cohorts must realize that where the Naxalite influence is not there is all likelihood of anarchic violence spontaneously bursting out due to the polices of the ruling class that is marginalizing vast swaths of our people. This includes not only the Muslims but also the dalits, the unorganized workers and the vast mass of peasantry.

After this attack the biggest danger has come with the imperialist agencies entering in hordes and US top officials descending on the two countries like vultures. The entrance of US, British and Israeli intelligence in India has been given legitimacy as a reaction to the attack and is not seen as an infringement of the sovereignty of the country. The US top officials cannot at present risk another war in this region when it is bogged down in Afghanistan. The diversion of Pak forces to the western border would entail shifting troops from the East, easing thereby the pressure on the Taliban thereby impacting US military operations in that region. Besides, with these attacks the government will get greater legitimacy to introduce draconian laws and the Hindutva fascists will regain some legitimacy which was lost with the exposure of *Sangh Parivar* people being involved in acts of terror.

The candle light processions throughout the country has involved a section of the population demanding that

more stringent laws be imposed and thereby creating the atmosphere for draconian legislation. As a journalist Pankaj Pachuri said (*The Hindu*, Dec 6th) "If we sow the seeds of babool we cannot hope to pick sweet mangoes" lambasting the cry, comparing India's security set-up with that of the US, where not a single terrorist act has taken place since 9/11. "*The US spends \$ 69 billion (equal to one-third of India's budget) on homeland security. Are our rich and famous prepared to cough up the money instead of asking the government for tax holidays such as that enjoyed by the booming information technology industry? Some of the high-end fashionable wallahas were now writing candles in Mumbai, after having evaded taxes most of their lives. There is a price to pay for what a country and its people have been doing a thoroughly corrupt police force, a criminal justice system that has all but collapsed, no action against rioters as with Gujarat 2002, no action after the demolition of the Babri Masjid 16 years ago, etc. There can be no stopping groups of people taking the law into their own hands and resorting to terrorism when the rule of law cannot redress grave wrongs done to thousands of victims*" And the noted lawyer Prashant Bhushan cautioned against any attempt to turn India into a police state. "*There is no state where security measures were stiffer than in Israel, yet it is constantly plagued by insecurity. Security lies in addressing people's grievances and problems, not in acquiring guns*".

In India the attack on minorities, whether Muslims or Christians are part of the fascist polices to divert the people, particularly necessary at a time of such acute economic crisis. And as the crisis deepens, which it is bound to, such diversionary attacks will only increase, combined with ruthless attacks on the struggling masses. The only real recourse to this is for the struggling masses, including the oppressed minorities and castes, to unite in a common struggle against the enemy and not resort to such random and counter-productive acts of violence. It is essential that one clearly distinguishes enemies from friends, without which no battle can be won, no matter how just the cause. P t

COMMEMORATE CENTENARY YEAR OF INTERNATIONAL WOMEN'S DAY! INTENSIFY STRUGGLE AGAINST THE IMPACT OF NEW GREAT DEPRESSION!!

THIS year March 8th 2009 will begin the commemoration of the Centenary Year of International Women's Day. In 1910 Clara Zetkin declared March 8th as International Women's Day. From March 8th 2009 the entire year commemoration meetings will be held culminating in massive programmes throughout the world on March 8th 2010.

At such time we recollect the heroic sacrifices of our women martyrs who gave their lives struggling for the emancipation of women and entire society. Particularly the CPI (Maoist) has seen hundreds of women martyrs from the earliest like com. Panchadi Nirmala, to state committee comrades like Com Padma, Lalitha to central committee member and head of the women's sub-committee, com Anuradha. In India women continue to stand in the vanguard of the revolutionary struggles.

This Centenary year is being commemorated at a time when the entire capitalist/imperialist system is in the midst of a worst ever crisis since the times of the Great Depression of the 1930s. Never before, in these past 80 years has the crisis in the system been so deep and all-encompassing. In the US the very pillars of the financial establishment have been collapsing like a pack of cards — the banks, investment banks and insurance companies. The tremors of the collapse of these giants have been reverberating all around the globe. Already the US, European, Japan and Russian economies have gone into recession. Industries are now also being affected and even giants like the car monoliths General Motors, Ford, Chrysler (all of the US) are on the verge of bankruptcy. The ILO estimates that by end of 2009 20 million will be thrown out of jobs worldwide. The crisis has now spread to each and every country and none will be spared by the impending holocaust.

All this was triggered by the bursting of the housing bubble in the US. Over 13 lakh people in the US have already

lost their houses because they have not been able to pay back the mortgages. This loss will particularly hit the women hard who are the main anchor in the families. Lakhs are being thrown out of jobs and the horrors of unemployment are forcing women to prostitution and other demeaning jobs just in order to survive. Even before the crash of September/October, food riots had burst out in 33 countries. Now the situation will get even more acute.

During the earlier Great Depression the imperialists could only come out of the crisis through a world war and the massacre of crores of people. The present crisis, which has its roots in the 1970s, is likely to be as devastating, though; as yet, there seems little possibility of a world war. Yet local wars will intensify to further imperialist plunder and deaths due to war, hunger disease, etc. are likely to reach levels on an unprecedented scale. Imperialist globalization has already pushed crores and crores of people around the globe to utter destitution; now the situation will worsen. With crashing banks even the middle classes are likely to lose their savings and small industries (even larger ones) will crumble. The increasing unemployment will hit women worst as it is they who will be the first to be retrenched.

In India we can already see the affect of this crisis in sky-rocketing food prices, wage cuts, retrenchment, collapse of many industries throwing lakhs on the streets and an ever intensifying agrarian crisis. Private Banks and insurance companies are tottering on the brink and all industries are slowing down due to the lack of orders. With the Indian economy tied tightly to the US economy the crisis in the US is severely affecting industry here, particularly exports.

This crisis is acutely affecting women in India. Women employment is in sizable numbers in the financial sector, garments, handicrafts, service

and entertainment sector, etc. Massive layoffs have already begun in the financial sector, about 5 lakhs are expected to lose their jobs in the textile sector, and handicrafts are in the doldrums due to the drop in exports. Besides, the acute agrarian crisis are affecting women the most as their drop in living standards has increased the household drudgery enormously. Not only that with agrarian distress growing and suicides increasing it is the women who have to single-handedly face life of earning and looking after the children.

But today we also see women in the forefront of all struggles whether it is against SEZs as in Nandigram, Singur, etc or against dalit oppression as on the Khairlanji issue, or against the horrors of Salwa Judum in Chattisgarh, or whether it is against the varied forms of oppression on women and patriarchy. In this they too face the brunt of state repression through incarceration, torture, gang-rape and even murder. In Orissa many women were the victims of the Hindutva hordes. Many courageous women like com Sheiladi continue to be kept illegally behind bars, in spite of failing health. Her only 'crime' was that she stood up for the rights of women and tribals.

On the occasion of this Centenary Year of International Women's Day 2009 we call on all oppressed women of our country to use this opportunity to widely propagate the task of emancipation of women from the yoke of this oppressive and patriarchal system. And in this year of a horrifying crisis and its impact on the oppressed masses, we call on all women to join with the other oppressed sections to fight back the increasing attacks on their living standards, the growing fascist attacks by the State and Hindutva hordes and fight against all forms of patriarchal oppression. Let this Centenary year be a festival of women's struggles with a new awakening.

P t

Press Release :

JOINT DECLARATION BETWEEN THE CPI (MAOIST) AND THE REVOLUTIONARY PEOPLE'S FRONT ON 22ND OCTOBER 2008

A two days joint meeting was held between the CPI (Maoist) and the Revolutionary People's Front (RPF) at the Council Head Quarters of the Revolutionary People's Front on 21-22 October 2008. At that meeting, both sides have unanimously condemned the hegemonic capitalist design of the Indian regime and have agreed to consolidate the mutual understanding and friendship, further more agreed firmly to stand hand in hand to overthrow the common enemy, the present Indian reactionary regime and to gain political goals of the respective two Parties.

The CPI (Maoist) strongly condemned the annexation of Manipur by the Dominion of India, which was done under the instigation of reactionary Indian Congress led by Gandhi, Nehru and Sardar Patel and their hegemonic and colonial designed. The so-called Merger Agreement of Manipur with the Dominion of India was, indeed, illegal and unconstitutional. The very verdict was given by the two days convention on Manipur Merger Agreement held at GM Hall, Imphal, on 22-29 October 1993. Now it becomes the voice of the people of Manipur.

A revolutionary movement was born under the leadership of Comrade Hujam Irabot to liberate Manipur from the yoke of the British remnant India style Black Raj. As a continuation of liberation struggle and a total revolution, the Revolutionary People's Front has been struggling for their political rights to self-determination. Therefore, the CPI (Maoist) upholds the true nature of the revolutionary movement in Manipur and support the liberation struggle recognizing the sovereignty of Manipur.

Moreover, the Revolutionary People's Front stands and supports the revolutionary movement of the CPI (Maoist) as well. The downtrodden proletariat Peoples of all over India are facing the suppression and subjugation of the reactionary regime of India since the departure of the British Raj from the Indian soil. Under the new leadership of Comrade Charu Majumdar and Comrade Kanhai Chatterjee two streams of revolutionary movement was founded in 1969 to give the Indian people the rights to political emancipation. Comrade Charu Majumdar was assassinated by the repressive Indian regime in the police custody and Comrade Kanhai Chatterjee embraced martyrdom in 1982 suffering from kidney failure. In 2004, the two revolutionary streams, CPIML (People's War) and MCC (Maoist Communist Centre) merged and formed one new Party – The Communist Party of India (Maoist). Following the footsteps of the two founder leaders, the CPI (Maoist) is still struggling arms in hand to overthrow the Indian reactionary regime and to bring the victory of the Indian people.

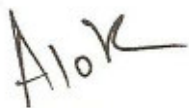
The Revolutionary People's Front firmly believes that the general Indian peoples are not our enemy. In fact, they are under privileged and downtrodden people who are gravely suffering under the semi-feudal, semi-colonial regime of India.

Joint Declaration:

Today, the 22nd days of October 2008, after having a thorough discussion, session for two consecutive days, in every aspect of the two organizations the Communist Party of India (Maoist) and the Revolutionary People's Front, unanimously declare the following agreement:

1. That, both sides will honour and support the Sovereignty of the two countries (the Sovereignty of India and the sovereignty of Manipur).
2. That, both sides will extend full morale and political support to each other in the liberation struggles to overthrow the common enemy, the Indian reactionary and oppressive regime, respectively.
3. That, both sides deem to recognize and honour the historically endorsed territorial integrity of the two countries viz. Manipur and India.

Signed by:



(Aloke)
Political Bureau Member
On behalf of CPI (Maoist)

Signed by:



(S Gunen)
Secretary General
On behalf of R P F