

### III

#### COMPLETION OF THE UNFINISHED REVOLUTION

WE HAVE THROWN a retrospective glance at the pre-independence period at some length. For otherwise the theme about the continuity, the growing over of the national freedom struggle into the struggle for socialism, becomes a clap-trap or a nebulous notion that can cover up many sins of omission and commission.

The worst of these sins, of course, is the claim of the congress leadership 'to carry forward the freedom struggle to its historic destiny of socialism'.

India attained freedom in August 1947. But this did not imply, as Nehru himself stated in his historic speech from the Red Fort on that occasion, that all the vital conditions necessary for the exercise of full national independence had then been created.

The British stranglehold over our economy, based on British investments in and control of many of our industries, foreign trade, banking, shipping, and so on, still continued. Semi-feudal landlordism continued. Princely autocracy remained over a third of the country. These were not

just economic factors. They also circumscribed and inhibited our national independence to a considerable extent.

That is what is meant when we say that while we attained independence in 1947, our national democratic revolution was not yet completed.

The material basis—modern heavy industry—of Indian independence is stronger today than in 1947. Many heavy industries have been built in the public sector, mainly with the aid of socialist countries, which are a great asset. The princes are gone. Statutory landlordism has been eliminated. At the same time, in certain important respects, the condition has also worsened in the intervening period.

The main reason for such a development has been that, instead of advancing, step by step, from national independence towards the completion of the democratic revolution, the rulers have pursued the path of a capitalist development of the country. This has inevitably involved innumerable concessions to the imperialists and feudal elements, to big business in India, accompanied by worsening conditions of life and work for the great mass of our people.

If anyone had any doubts in 1947 that the passing of power into the hands of the National Congress was equivalent to its passing into the hands of the Indian capitalist class, and unfortunately, there were too many who questioned this proposition at this time, that fact has now been proved to the hilt by practical experience extending over nearly two decades.

Clearly the first task of all serious socialists in India is to grapple with the tasks of our democratic revolution which calls for a reversal of the path of capitalist development being followed by the Congress party, the political party of the Indian capitalist class.

Over the years the congress rulers have carried through three five year plans which have built or expanded our steel, chemical, oil and engineering industries. Many vital projects have been built in the public sector, which has been strengthened, mostly assisted by the socialist countries. Certain half-hearted land reforms have been implemented,

which have ended statutory, though not all absentee landlordism, created by the British rulers. Princely rule has been ended. These measures have helped our economic development and political advance.

But the advance has been based on the drive to push forward a capitalist development of the country. Lip sympathy for 'a socialist pattern' of society has been consistently accompanied by raising the resources for economic development by intensifying the exploitation of the working class and other common people and increasing the profits of the industrialists, private banks and traders 'for the promotion of savings and investment'.

The real wage of the workers, depressed during the war, barely reached the pre-war level at the end of the Second Five Year Plan. Due to the phenomenal rise in prices during the last three years it has again sunk below the level of 1939.

Indirect taxation, mainly excise duties and the sales tax, has reached colossal figures while profits after the payment of personal and corporate taxes have increased.

Not only the private banks, owned by big Indian monopolists, but even the State Bank of India, the Central and State Finance Corporations, the Industrial Development and Finance Corporation, the Life Insurance Corporation, and similar other public financial bodies vie with one another in buttressing the big traders and industrial tycoons in the country.

The capitalists have had a protected market in the country such as they could not even dream of under the British regime.

The old landlords are giving place to a new type of landlord and rich peasant who have evicted millions of tenants and poor peasants from the land, thereby swelling the army of the rural unemployed. The growing capitalist element in agriculture exploits the rural poor as a landlord, employer and moneylender, all rolled into one.

Five per cent of the rural households own fifty per cent of our cultivated land despite all the 'land reform' and the three plans.

Traders in essential commodities, of course, have 'never had it so fine'. They are minting millions literally on the toil and bones of the common people.

Economists all over the world, whether capitalist, 'liberal' or socialist, have pointed out that this is precisely the path of capitalist development, however our congress rulers may shout themselves hoarse that it leads to socialism.

In the conditions of our country, struggling to break the shackles of colonial backwardness and poverty, the implications and consequences of the path of capitalist development are, in fact, far worse.

For instance, an inflationary policy (created money as a means of raising capital resources) depresses popular living standards and creates headaches for the economies in advanced capitalist countries also. But in a country like ours, with its vast numbers of unemployed, seasonally employed and partially employed running into crores, with a backward agriculture and a very low productivity per acre, with one of the lowest per capita incomes in the world, inflation leads to horrible hoarding and cornering of goods, profiteering and blackmarketing and plays havoc with the already intolerable living standards of the people.

Again, while government's inflationary policy has given a certain fillip to Indian industry by providing it with a growing internal market, it has created a crisis in many industries by reducing the purchasing power of the great majority of the people and by throwing the cost structure of industry out of gear. Besides, by raising the internal costs of production, it has affected the competitive capacity of our exports in foreign markets and deepened our foreign exchange crisis.

The capitalist path of development has also led to an octopus development of Indian monopoly capital. The capital assets of 51 giant Indian monopoly concerns rose from Rs. 461 crores in 1959-60 to Rs. 632 crores in 1964-65.

Five or six Indian monopoly houses dominate our private banks with a capital investment of barely Rs. 40 crores, but

a control over public deposits running into Rs. 2500 crores. Obviously these vast amounts are used mainly for financing the trade and industry of big business in India.

As has been stated earlier, the congress leadership pursued the path of various compromises with imperialism during the period of the freedom struggle and has continued to do so after the attainment of national independence.

Leave aside taking over British-owned concerns after independence (whose capital resources, ever since the days of the East India Company, had been raised by downright plunder in India, and had been 'repaid' many times over by the profits made during a whole century), the congress rulers made further gifts to the Britishers after the achievement of power. England got away with 400 million pounds of our sterling balances for a song, by selling worthless military stores and installations to 'free' India.

In subsequent years, in the name of not discriminating against foreign capital, the Government of India permitted a big import of private foreign capital into the country and also went on incurring bigger and bigger foreign loans dominantly borrowed from the Americans.

Dependence on foreign monopoly capital, for a weak and underdeveloped country like India, has most vicious and dangerous implications. Such dependence leads to greater and greater dependence, never to independence.

Non-banking foreign private investments in India grew from Rs. 256 crores in 1948 to Rs. 300 crores in 1965. Foreign and Indian big business collaboration deals have grown in a similar measure.

Our foreign debt, which stood at the paltry sum of Rs. 32 crores in 1950-51 has now reached Rs. 2629 crores, most of the rise having taken place in the Third Plan. We owe 90 per cent of this debt to the Western powers. We now borrow foreign money not only for further economic development, but even to pay interest on our existing foreign liabilities.

The contradictions of the capitalist path of development, compromises with feudal elements, growing economic de-

pendence on foreign private capital, have inevitably led to an extremely profound and all-pervasive crisis in our entire economy.

During the Third Plan period, unemployment increased from 8 to 12 millions. Consumer prices rose by nearly 50 per cent in the last two years alone. Food production stagnated. Per capita national income declined.

Our food imports continue to grow despite endless talk of putting food production on 'a war footing'. This year we have already imported 9 million tons of wheat and other foodgrains, and will import 3 million tons more before the year is out. Food imports alone have cost us Rs. 1500 crores since independence.

Our foreign trade deficit rose from Rs. 237 crores in 1951-52 to Rs. 575 crores in 1965, the highest on record.

Deficit-financing, the root cause of inflation and rising prices also reached an all-time high of Rs. 400 crores in 1965-66.

And now we are faced with the acutest expression of the economic crisis—the crisis of devaluation.

The imperialists, and dominantly the Americans, have naturally exploited our heavy dependence on them for food, capital goods, foreign exchange, and for loans to meet all these expenses, for the purpose of political blackmail and undermining our national independence. Growing economic dependence is incompatible with the strengthening of a country's political independence.

The Anglo-Americans blackmailed and threatened us on the question of the liberation of Goa. Bullying India to surrender Kashmir to Pakistan so that the Americans may be able to set up their military bases in Kashmir, has continued since independence, and has been intensified in recent years. The Anglo-Americans refuse to assist India for defence against a possible second attack by China unless, for all practical purposes, India enters into a subservient military alliance with them for their aggressive policies in SE Asia.

Dependence on foreign monopoly capital has weakened India's independent foreign policy, subdued her voice in support of colonial liberation movements in Asia, Africa and Latin America, compromised her position in respect of US aggression against Vietnam—in a word, undermined the positive content of non-alignment built up over a decade. Basic decisions regarding our economic planning are now taken in Washington, not in New Delhi, whatever the camouflage. In plain words, growing foreign economic dependence has weakened our national independence.

The same is true about the democratic rights and liberties of the people. No government can go on heaping starvation and economic miseries on the people without launching an increasingly brutal offensive against the consequent rising mass discontent. Prohibitory orders, mass arrests and shootings have assumed serious dimensions in recent years.

The number of 'Emergency' Acts and Ordinances directed against people's democratic rights has grown. And since the acute discontent among the people is bursting out in the legislatures as well, representatives of the ruling party are throwing out hints that the rights of the opposition will have to be 'curbed', of course, in the name of 'dignified and orderly' parliamentary procedure.

This entire development itself indicates the unfinished tasks of our national democratic revolution which we have yet to complete.

Which are the most vital of these tasks? They can be briefly stated as under:

- (1) The grip of foreign monopoly capital over our economy must be broken.
- (2) The public sector—freed from foreign dependence and Indian monopoly penetration, and placed on a fully democratic basis with workers' genuine participation in management—must be expanded. It must capture all the commanding heights of Indian economy in industry, trade, transport and banking.

(3) The development of Indian monopoly combines must be curbed and broken.

(4) Radical land reforms, meaning the distribution of land to the actual tillers of the soil, must be carried through and the power of the landlords, moneylenders and traders in the countryside must be ended.

(5) The state, i.e., the legislature, the executive and the judiciary, must be thoroughly democratised. The power of money over the state must be broken. The bureaucracy, divorced from the people and riding roughshod over their heads must give place to a genuinely people's administration.

Anyone can see that these five basic measures do not, by any means, constitute socialism. Their implementation will still leave our agriculture, medium and small scale industry, retail trade, etc., in private hands. They are, of course, the precursors of socialism. Their achievement will bridge the transition to a socialist India.

But their implementation is not possible with the continuation of the path of capitalist development which has been followed by the Congress in independent India. For that path not only implies a very slow economic development and worsening of people's living standards. It not only leads to a crisis. It now threatens even the political and economic independence achieved by our people through decades of struggle prior to 1947 and by dint of hard labour since we gained freedom.

That is why, as we have said earlier, the task today is the reversal of the path of capitalist development being pursued by our rulers. Immense people's struggles and sacrifices will be needed to bring this about and fulfil the tasks of the democratic revolution.

Is such a reversal possible? If so, how is it to be brought about? That is the next question.