

ASPECTS OF THE INDIAN SCENE

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THE INDIAN SCENE TODAY is dominated by clash and conflict, but not as yet by a definite polarization of forces. The death of Pandit Nehru almost a year ago has heightened the sense of contradiction and of drift in the policies and cohesion of the ruling Congress Party. But no viable progressive alternative has yet emerged—the national democratic front has yet to be built.

India had the advantage and the curse of being one of the relatively more capitalistically developed of the colonial countries. While this gave it a better industrial base to begin with at the dawn of freedom in 1947 than almost any other ex-colonial country, a fairly large intelligentsia and a certain measure of capitalist development in the countryside, it also meant that the strength of the capitalist class—its economic base and its ideological-political influence—was stronger, presenting obstacles to the jump to the next stage of national-democratic, non-capitalist development.

True, the working class was also numerically larger than in other ex-colonial countries, but for historical reasons, which space does not permit one to go into here, it did not play the leading role in the freedom struggle and was itself largely under the influence of the national bourgeoisie. Yet it had developed a fair level of trade union consciousness and produced a Communist Party as long ago as 1925, with a definite and growing position among the people.

Now, some seventeen and a half years after independence, a situation has been reached where the national bourgeoisie, which is a heterogeneous ruling class, increasingly shows itself unable to solve the tasks of completing the national-democratic revolution, while the working class is still quite a distance from establishing its leadership of the nation or even sharing leadership with the national bourgeoisie by breaking its present political monopoly. Hence the instability inherent in the Indian scene.

Economic Field

What do we find in the economic field? There has been quite a good rate of industrial growth, averaging about six to seven per cent a year over the past fifteen years. A number of new industries have emerged, like structural steels, machine-building, oil refining and production, heavy electrical equipment, railway engine production, chemicals and the like. It is also a significant feature of these industries that almost all of them are in the public (state capitalist) sector and largely developed through aid from the Soviet Union, Czechoslovakia, Rumania and other socialist countries. New trade patterns have developed, with the socialist camp accounting for some fifteen per cent of the total trade of India.

There are, however, some disquieting features of this industrial development that cannot be overlooked. The private sector is still preponderant in the field of industries and mining, with the public sector occupying only one quarter of this field. Moreover a considerable degree of concentration and centralization of capital has taken place. In the capital assets of the corporate private sector, amounting to Rs 3,000 crores*, two industrial-financial houses alone (the Tatas and Birlas) control Rs 600 crores. If we add to this the capital holdings of the Walchand-Hirachands, the Thapars, Goenkas, Snighanias, Mofatlals, we shall find that well over half the total capital assets are controlled by some seven or eight houses, with a fair amount of interlocking. For example a recent study showed that of 4,174 directorships over 2,000 were held by 44 persons and 520 others held the remaining 2,174. Banking capital has proceeded to such lengths that five big banks, effectively controlled by the industrial magnates mentioned above, have the bulk of the paid up capital of Rs 40 crores, by which they gather and utilize public deposits of roughly Rs 1,850 crores. These monopoly houses also own newspapers which account for some 75 per cent of the total circulation of all papers.

What makes the picture more menacing is that in the post-independence period, while the relative position of private foreign capital has declined, it has grown fairly rapidly in absolute terms. Non-banking foreign private investments have now reached the figure of nearly Rs 800 crores as compared with Rs 256 crores in mid-1948. The bulk of such investments—a good two-thirds—is from the U.K. In addition, imports of food from the U.S. under Public Law 480 have led to the accumulation of vast sums of

* Rs. (rupees) 13.5 = £1 stg.; 1 crore = ten million.

money—roughly Rs 1,200 crores—in what are called counterpart funds under the joint control of the U.S. and Indian Governments, apart from fairly substantial funds under the exclusive control of the U.S. embassy.

In the past few years, we are witnessing increasingly close collaboration between the Indian and foreign monopolists, manifested in the high spurt of joint ventures as well as other forms of collaboration. In the third week of February this year the Federation of Indian Chambers of Commerce and Industry played host to the International Chambers of Commerce and Industry.* The junketings apart, a fair amount of success attended the efforts to establish unity of outlook and still firmer business contacts. No sooner was this over than the visit was announced of a team of top U.S. industrialists and bankers.

The picture has to be completed by adding that Indian Big Business has always had very close links with the top leaders of the ruling Congress party. Recently in the Parliament it was officially stated that in the past twelve years various private companies had *publicly* donated nearly Rs 10 millions to the Congress, accounting for nearly 70 per cent of all such donations. The top Indian magnates also occupy important positions in different 'public sector' companies and have built powerful lobbies among the top bureaucrats (many of whom are given lucrative directorships on retirement and whose close relatives are found comfortable berths in the most powerful Indian and foreign firms) and among the Ministers and members of parliament.

It would be wrong to conclude, however, that the monopolists, though they are the decisive element in the base and power of the Right forces in India, have already seized complete or even decisive control of the State. The non-monopoly sections of the national bourgeoisie have also registered considerable advance, especially in the field of ancillary industries growing up around the giant public sector projects. The public sector itself has entered certain fields of activity like state trading, insurance, banking and heavy industry, which prevent the unfettered expansion of the monopolists. Schemes have been announced and laws passed which would enable the state to convert loans to private industrialists into equity capital. Investigations have been made into the shady proceedings of some

* Disregarding India's official boycott policy an apartheid delegation from South Africa attended, headed by the secretary of the Chamber of Mines.—(Editor)

of the biggest private sector houses, with the likelihood of a take over of some units. As yet, foreign capital is not allowed to have a majority holding in new ventures, save as an exception. Certain fields of industrial development of crucial national significance have, thus far, been left exclusively in the public sector. A certain amount of success has attended the efforts to give financial and technical assistance to the medium and small industrialists, leading to a certain dispersal of industrial power. The socialist countries also extend aid not only to public sector projects but also to medium and small industrialists, apart from providing a market for some of their products.

What we are witnessing today is a sharpening struggle between the monopoly and non-monopoly sections of the Indian bourgeoisie as the monopolists step up their drive to establish their leadership and complete control of the state. This sharpening contradiction has not yet, however, come anywhere near the point of rupture. Pandit Nehru acted as the unifier of the entire bourgeoisie as well as the main link between the class as a whole and the Indian masses. With his death a powerful cementing force has been removed. And this at a time when certain of the more deleterious aspects of the capitalist path of development have come to the forefront.

Inflation

In 1964 there was a sudden inflationary spurt, especially in the prices of food grains. It has been calculated that the *wholesale* price of rice rose by fifteen per cent, while that of wheat rose by over sixty per cent. There was a 'sympathetic' rise of other essentials of daily living. It has been officially estimated that if retail prices and truthful family budget surveys were undertaken, the rise of the cost of living in large and medium urban areas would be found to be not less than thirty per cent—the highest rise since independence.

What are the causes of the inflationary spiral? *First*, there is the slow rate of growth of the national economy as a whole. At the most optimistic, over the past decade the national income has grown at the rate of three-and-a-half per cent a year while the population has risen at the annual rate of two-and-a-half per cent.

Second, the rate of growth of agriculture has been particularly slow. In the nine years following 1952-53, food grain production rose at the rate of two-and-a-half per cent compound, while non-food grain production showed a four per cent compound rate of growth. This is above all due to the fact that the Congress government, while curbing and reducing feudalism, has totally

failed to implement any kind of radical agrarian reforms that would give land to the tiller. It has, on the contrary, deliberately tried to create a hybrid kind of capitalism—converting semi-feudal landlords into capitalist landlords, encouraging a small stratum of rich peasants, and compromising with feudal and semi-feudal elements in the countryside, especially moneylenders and wholesale traders. As a result, studies officially undertaken by the Planning Commission show that the concentration of land ownership has not been broken and that a landlord-cum-moneylender-cum-wholesale trader type of exploiter still remains the most powerful figure in the rural areas. Consequently, parasitic production-relations still dominate the countryside.

Thirdly, note has to be taken of the fact that prices shot up in a year when food production had actually shown some rise after two years of stagnation and fall, and when food imports had also risen. While the sharp rise of Rs 525 crores in defence expenditure played an important part in inflation, the biggest factor was hoarding and speculation. Thanks to the government's wilful blindness a huge amount of 'black' money or undeclared income exists in the country. Conservative estimates place the amount at Rs 500 crores, while unofficial agencies are of the opinion that it would be nearer to Rs 3,000 crores—i.e., close to one third of the entire outlay on the Third Five Year Plan. Congress leaders themselves have publicly declared that this 'black' money is the basis of an invisible 'alternative government' which plays havoc with prices and holds the nation to ransom. It is the wholesale grain merchants, linked through the banks with the topmost monopolists, who have acted to deal out semi-starvation in the form of soaring food prices.

Workers' Struggle

The working class, led by the All-India Trade Union Congress and the Communist Party of India, took the lead in the struggle against the attempt of the ruling class to put the entire burden of its own failure on the backs of the people. Intense strike struggles and demonstrations heralded the resistance of the working people. The demands, to begin with, were for increases in dearness allowance commensurate with the rise in the cost of living index, as well as for the revision of this index itself. In the course of these struggles some gains were made, greater unity was achieved and new sections drawn in—government employees, teachers, doctors and other white-collar workers. Traditional forms of struggle were employed,

like mass hunger strikes, deriving from the past struggle against imperialism.

This was followed by the great *satyagraha* struggle launched by the C.P.I. on an all-India scale towards the end of October, when over 25,000 went to jail, over 80,000 broke the law and some millions participated in the demonstrations. Never since independence had such a mighty action taken place simultaneously on an all-Indian scale.

Mention should also be made of the new form of struggle that has emerged in the recent period. This is the *Bundli* or close-down. In essence it is a combination of the general strike of the workers and the *hartal*—closing of shops, educational institutions and the like. The lead in this form of action has been taken by the great-hearted working class of Bombay where the C.P.I. was born. It has been followed up in other states as well. The unity of action achieved on a regional basis is now sought to be carried forward on an all-India scale. An all-India Struggle Committee has been established, consisting of leaders of most of the different trade union organizations. The move is to move towards *Bharat Bundli*—all-India closedown, on a certain day.

The militancy of the workers is displayed not only in the struggle but also in the platform advanced. This includes, as well as immediate demands of the workers, alternative national slogans, such as nationalization of banks, alternative forms of taxation, ceilings on income and the like. What is emerging in embryo form is the alternative to the present capitalist path of development—the national-democratic, non-capitalist path.

C.P.I. Split

The full potential of this rising wave of popular struggles is hampered by a new, distressing feature of disunity. This is the split within the C.P.I. itself which has led to the emergence of a rival Communist Party calling itself the C.P.I. (Marxist). There had been differences in the C.P.I. for some time on important issues of strategy and tactics, but matters had never reached the point of a split until the Chinese attack of October 1962, following which the leaders of the C.P.C. issued an open call for a split in the C.P.I. as the 'revolutionary duty of all true Marxist-Leninists'. From then on an important section on the C.P.I. leadership with a considerable following inside the Party and among the people, launched on a campaign of attacks on the leadership and eventually set up a rival Party.

In essence the rival C.P. accepts the ideological-political positions of the C.P.C. not only on the controversial issues confronting the world Communist movement but regarding the Indian situation as well. It has not openly stated this because of the differences in its own ranks as well as the unpopularity of China in India following the aggression against our borders in October 1962. In its programme it refuses to acknowledge the fact that India is an independent capitalist country but insists that it is more or less a semi-colony under U.S. tutelage. It refuses to acknowledge that there are national bourgeois and petty bourgeois elements in the ruling Congress party who have to be brought into the national-democratic united front. In fact it rejects the concept of national democracy and of the non-capitalist path as inapplicable to India and advances the concept of the strategic goal of people's democracy—a carbon copy of the Chinese revolution. It regards the Congress as a homogeneous reactionary mass and as the main enemy of the Indian revolution, against whom a united front has to be built in which even Right reactionary parties have to be given a place. On the one hand it advances extreme 'revolutionary' slogans and, on the other, is averse to launching the struggles of the masses around minimum demands and concrete national alternatives. It launches repeated campaigns against the C.P.I., criticising its national-democratic programme as a line of 'class collaboration.'

The C.P.I., at its recent Seventh Congress in Bombay in December 1964, decided that while an ideological-political campaign would have to be conducted against the rival C.P. and its organizational disruption combated, simultaneously a fraternal, persuasive approach would have to be adopted towards it, drawing it into united mass campaigns. A firm but patient policy was essential.

Thus, when towards the end of last year the Government suddenly swooped down on the leaders and cadres of the rival C.P., arresting some 900 of them under the obnoxious preventative detention emergency laws, the C.P.I. launched a vigorous campaign of protest through demonstrations and meetings, as well as resolutions in the Parliament and various state assemblies. It demanded that those arrested should immediately be released; if the government had any case it should try to prove this in a court of law. These arrests were a grave blow at parliamentary democracy and the fundamental rights of the people. They represented a diversion by the ruling party at a time when the people were surging forward in struggle. Unless the democratic forces mobilized they could

become a prelude to a general attack on the entire democratic movement.

Kerala Election

The action of the Government boomeranged in the immediately following Kerala elections, which were held on March 4th. It will be remembered that in 1957 the C.P.I. formed a Ministry there following its victory in the General Elections. This Government was unconstitutionally removed in 1959 and in the following elections, despite receiving 40 per cent of the votes the C.P.I. was reduced to a minority position in the legislature because of the Congress combining with the Muslim League and Catholic Church to form an anti-Communist united front. Internal contradictions and the struggles of the masses broke up this front and brought down the Congress government in September 1964.

In the present elections, the rival C.P. emerged as the largest single party, with 40 seats in an assembly of 133. Twenty-nine of those elected on its ticket are in jail and its entire campaign was based on an appeal to the voters to register their protest against the undemocratic actions of the Congress. The Kerala electorate responded in a splendid manner. The C.P.I. fully backed this demand, at the same time putting forward its own programme. While it won some 600,000 votes, only four of its candidates were elected. It was quite evident that the arrests had created an atmosphere where the traditional supporters of the undivided C.P. felt it their duty to rally round the rival C.P. which was facing severe repression. It would be futile for anybody to claim that in Kerala the respective lines of the C.P.I. and the rival C.P. were being put to test. Civil liberties was the issue and those who had been most attacked by the Government earned the greatest sympathy of the people. At the same time it must be remembered that the Congress and its splinter group received some 45 per cent of the votes as well as some 60 seats. (The splinter Congress group arose from communal, factional rivalries and a coming together cannot be ruled out.)

Almost simultaneously with the Kerala elections, the ruling party was faced with a crisis on the language issue. This crisis was the product of the refusal of the Congress to accept the fact that the Indian nation is a composite one resting on the foundation of fourteen major nationalities, with their own developed languages and cultures. Without recognizing the equality of all 14 nationalities, without removing regional imbalances, any attempt at enforced unity is bound to break down.

Language Crisis

The C.P.I. had put forward a concrete programme for the solution of this tangled problem. It stressed that the main emphasis must be placed on the equal development of all the fourteen national languages. These should be made the languages of administration and of instruction in the respective regions, replacing English which is known by only two per cent of the population. In addition, gradually and with the consent of all the states, Hindi—which is the language of the numerically largest nationality (roughly thirty per cent of the total population) and which has affinities with the largest number of other national languages, because of a common Sanskrit root—should replace English as the link language. During the period of transition, English should continue as an associate link language. By and large, this was also the approach of Prime Minister Nehru. Following his death the majority of the central Congress leaders yielded to the pressure of the Hindi chauvinists and suddenly announced that as from January 26th this year, Hindi would be the official all-India language.

This roused justified apprehensions among non-Hindi nationalities, especially in Madras state. In Andhra, Kerala and Bengal also, feeling ran high. This fear felt by wide sections of the people was utilised by separatist, Right reactionary forces to unleash large-scale violence and mob hysteria. Instead of trying to assuage the ruffled feelings of the people, the Government resorted to shooting and called out the army. Well over 200 people were killed and crores of rupees worth of property destroyed before the central Congress leaders saw sense. Two central Ministers resigned and even the President of the ruling party voiced his opposition to the undue haste with which it was sought to impose Hindi. A political crisis of unprecedented dimensions emerged.

Eventually the ruling party had to retreat and to accept a position basically in line with what the C.P.I. had proposed. Even now, however, ambiguities and equivocation remain, with the possibility of fresh trouble.

India's Foreign Policy

With these pressing internal problems occupying the centre of the political stage it is only natural that insufficient attention is being paid to the role that India should be playing in the international crisis that has emerged with the eruption of U.S. aggression against Vietnam. The Government has correctly called for the immediate reconvening of the Geneva Conference and for a political settle-

ment of the problem. But it has failed to go even as far as to condemn the U.S. air raids, let alone call for the withdrawal of all U.S. forces from Vietnam. Nor is this a mere accident.

The C.P.I. has pointed out that for some years now, serious weaknesses have emerged in India's foreign policy. While it remains a progressive policy of non-alignment and anti-colonialism, in the main, it does not take a sufficiently firm stand against neocolonialist manoeuvres and flagrant aggression of the imperialists. It lags behind the radical Afro-Asian states and has lost its position of initiator and pace-setter. This was evident in the case of the Congo. It was evident in the long delay in recognizing the Algerian government. It was evident at the time of the U.S. aggression against Cuba. It is evident in the insufficient support given to the freedom struggle in the Portuguese colonies, as well as in Rhodesia and South Africa. It is evident in the case of Malaysia.

At the same time it is good that the Indian government is a signatory to the Cairo declaration; that it is playing an active role in the preparations for the second Afro-Asian conference, insisting on the representation of the Soviet Union; and that it maintains extremely friendly relations with the majority of socialist states. It is also excellent that it has refused to go in for the manufacture of atomic weapons, despite the Chinese explosion of one and the clamour of the Right forces that India should follow suit, as indeed she has the capacity to do. India has also refused to accept any kind of 'atomic defence' from the Western powers.

It is a marked feature of the present situation that a great deal of national-democratic unity has been achieved around the platform of the Afro-Asian solidarity and World Peace Movements. The former antipathy to these unofficial movements on the part of progressive groups in the Congress has been replaced by active co-operation. This is useful, not only in deflating the pressure of the pro-West Rightist forces, which are well entrenched in the topmost levels of the ruling party, but also in halting the vacillations of the Government itself.

India today is a living example of the failure of the capitalist path of development to solve urgent problems of national rebirth as well as to make a due contribution to the world-wide anti-imperialist advance. The forces pressing for an alternative national-democratic, non-capitalist path are in the preliminary stages of mobilization and unification. The C.P.I. is bending all its efforts for

the speediest possible emergence of the national-democratic front. A period of sharp struggles, even of political crisis, is clearly ahead.

HYDERABAD, ANDHRA. *March 13th, 1965.*