

The Absolute Necessity to Throw The Imperialist Capital Out of The Indian Economy

In the last century, the economic relations of developed capitalist countries with their colonies and other undeveloped countries were characterized by export of finished consumer goods from these developed countries and the import by them of valuable raw materials and precious metals from these undeveloped countries. The colonial plunder and devastation resulted in repeated and massive upsurges of anti-colonial popular uprising all over the world. Today, most of the former colonies and 'protectorates' have attained formal independence from their colonial oppressors as a result of this world-wide hatred for colonial domination and plunder.

But the beginning of this century saw yet another development of world capitalism. This stage, the highest stage of world capitalism is characterized by the over all domination of finance capital (controlled by gigantic banking institutions) and the export of this finance capital from the advanced capitalist countries to the underdeveloped countries. This stage of development of world capitalism is known as imperialism. (See "Imperialism- The highest stage of capitalism " by Lenin for a clear exposition of this development.). The advanced capitalist countries find it extremely profitable to further increase the export of finance capital because in the developing countries they have a very profitable source of cheap labor-power and raw materials, as well as vast markets for selling finished goods at lucrative profits. (Recall for example, how overjoyed the US imperialists have become with the opening up of China for imperialist investments and consumer goods. In 1973-74, the private investments flowing from "developed" to "developing" countries amounted to \$ 10.8 bil-

lion , while the investments through government channels for the same period were another \$ 11.9 billion. These investments are in addition to the various "aids" and "loans" from various international imperialist institutions like World Bank. (The total lending of World Bank alone until 1975-76 amount to \$40 billion.). At the same time, the gap between the few industrially advanced countries and the underdeveloped countries has continued to widen. Today the average per capita income of three billion people in underdeveloped countries is 37 times smaller than the average per capita income in 10 developed industrialized countries.(ref. 1)

It is in this context that the question becomes important as to what exactly is the role of foreign capital investments in the Indian economy. Of course, we know what the answer of various imperialist agencies (including various "experts", government agencies, imperialist news-media etc.) to this question is , since they are interested in investing more and more. In fact, even the Indian government and the big capitalists of India have joined this chorus in emphasising that even more imperialist investments are vital for the prosperity and well-being of Indian people; and " foreign capital investment has unique advantages and serves functions which by their nature cannot be undertaken by local capital". (ref. 2). Consistent with this "analysis" by the big capitalists of India , we see that every major industry in India has been set up with foreign capital and collaboration. The total private foreign capital investments in India , which have been growing year after year even after the "independence" of 1947 , amount to 17.5 billion rupees. In fact, the British still maintain the largest share (36%) of these investments.

Until the first World war, the British actively discouraged the industrial development of India, much like their policy toward America before American Revolution when the building of steel mills in American colonies was strictly forbidden. In 1911, for example, 90% of the total British investments in India were in the fields of administration finance, transport and the production of raw materials that is for purposes auxiliary to the development of India as an agricultural colony of British industry. The first world war caused serious steel shortage for the British war effort and saw the birth of Tata Iron and Steel co. in 1911, to help out the British. The policy of the British towards the development of Indian economy in the period following WWI, was to allow a certain amount of industrial development but always keeping the Indian economy firmly subjugated to the British economy. The character of the Indian economy has not changed in the years following the granting of formal independence in 1947. After 30 years of this "independence" the Indian economy is still subjugated and dominated by the world imperialist powers, which are today headed by the US and USSR.

Not only does the Indian government permit and even encourage such an enslavement of the Indian economy to the imperialist economies but it also spreads various illusions and falsehoods to justify this enslavement. One common "justification" that is promoted is that "we need to welcome a large number of multi-national corporations since they bring the much needed finance capital to India". But the fact of the matter is that the under development of India is not due to insufficiency of finance capital investments from abroad but it is precisely due to the large scale imperialist plunder through the abundance of such capital investments. Besides the multi-national concerns operating in neo-colonial and colonial countries, draw a major portion of their capital from local savings, but they appropriate a huge (and to-

tally disproportionate) share of the super profits due to the large concentration of capital in their hands and due to their political influence in the neo-colonial governments. For example, in the period 1957-65, only 17% of the total finance capital used by the multinational corporations came from non local savings. But as for as profit appropriation is concerned, for each dollar of net profit, 79 cents would leave the country (ref. 3). The profits on investments, royalties on imported technical knowhow and interest payments on "aid" take up a substantial (and increasing) fraction whatever meagre export earnings the neo-colonial countries earn. In 1951, these payments amounted to 13% of their export earnings and the fraction doubled to 28% by 1969 (ref. 4). The imperialists are able to continue this plunder by sheer concentration of enormous capital in few hands.

Besides, the multi-national corporations do not always create new enterprises and create new jobs. They often buy up the existing local industries and thus form their subsidiaries. For instance in the Latin American manufacturing industry, 717 new subsidiaries of multi-national corporations were formed in the period between 1958-67. 46% of these new subsidiaries did not establish new production but simply purchased the existing firms. This again shows that the imperialists invest in order to extract super-profits, not for developing the economies of the under developed countries. This is done through large scale plunder of the natural and mineral wealth and the exploitation of these peoples. Whatever "benefits" that the under developed countries get out of these operations only go to the handful of the rich belonging to the ruling classes of these countries and not to the working people. Mexico city is a blatant example of a favorite target of the multinational corporations; in this region the richest 20% of the population received 82.5% of the area's income, while the poorest 20% could hardly survive with 1.3 % of

the income (ref. 5).

The imperialist countries, headed by the USA and the USSR make desperate attempts to cover up the real content of their imperialist interests in the under-developed countries. They want to create the false impression that they are guided by a motive of charity and pity towards the poor countries. They seek to create this impression not only with massive propaganda but even by organizing "highly visible" token projects (for example, see J. K. Galbraith, "Ambassador's Journal"). In addition, the imperialists often give away "credits", "aids", "assistance" etc. through their governmental agencies to the neo-colonial countries. But all of these are either trivial concessions (to ensure further plunder and domination) or simply false names to fool the people. For example, credits may be given for building roads-- only to make better access to the mineral resources by the imperialists. Also the various schemes of "assistance" and "aid" involve large future payments of amortization and interest by the neocolonial recipient. Thus on the one hand the under-developed countries deepen their debts to the imperialists while on the other hand, they pay back a large portion of their gross aid disbursements as interest and other payments for the previous "aid". Thus in 1969-70, the gross "aid" disbursements to India amounted to 8.5 billion rupees, while the net "aid" (after deducting the various payments for the previous "aid") was only 4.4 billion rupees. The corresponding figure for 1972-73 are 6.2 billion rupees gross and 1.2 billion rupees net!! (ref.6).

These "aids" and "grants" also often serve as bribes from the imperialist countries to the neo-colonial governments for influencing and even dictating the economic and political policies of these neo-colonial governments. The World Bank has established permanent missions in the under-developed countries, often located

within the planning ministries themselves. The IDA boasts that "the IDA borrowers are unlikely to disregard the kind of advice they may be given by the Bank missions whose surveys include the assessment of the soundness of their economic policies". The kind of the policies that these imperialist institutions favor are not hard to guess. For example, the World Bank decided to increase its lendings by seven fold to Argentina, Chile, The Phillipines, and Uruguay after the recent military takeovers and establishment of martial law in these countries in the early 1970's. These barbaric dictatorships won the approval of the World Bank by opening the doors of their countries to US finance capital and welcoming the plunder of their land and labor by suppressing popular struggles with military violence.

Similarly, the government to government aid from the imperialist countries to the neo-colonial countries always comes with strings attached. For example in 1965, the then US president Johnson announced a policy of grain deliveries to solve the "socially disruptive" grain shortages in poor countries. But the deliveries would depend on the satisfaction of several conditions which primarily included: an open door policy to the US investors, a shift of emphasis from industrialization to agricultural development and expansion and intensification of population control schemes. And this policy was implemented to their fullest satisfaction by the Indian ruling classes in the 1965-66 famine in India.

The so called "Green Revolution" which the U.S. imperialists exported to various under developed countries has led to large scale evictions and impoverishment of the poor peasants and enrichment of the big landowners wherever this "revolution" has spread. The Agricultural Development Council (ADC) which pioneered this "revolution" was itself organized and funded by the U.S.

imperialist boss J. D. Rockefeller in 1953 when the capitalist world was still smarting over the "loss of China" and revolutionary guerilla wars had broken all over South East Asia. The goal of ADC was to select and train agricultural economists and managers from the neo colonial countries of Asia, who would take over the formulation of agricultural policy in their own countries (with help from their instructors from the Rockefeller Foundation and the Ford Foundation) in favor of imperialism and "stability". Since the improved grain varieties created by the Rockefeller scientists need heavy fertilizer usage and carefully controlled irrigation, the middle and poor peasants have been devastated, unable to compete with the sharply enriched landowners. Further these Rockefeller scientists confined their "revolution" to the most fertile lands (where irrigation facilities are already available - what they call the "Immediate Growth Potential" lands). Thus this "revolution" has spread to less than 20% of wheat acreage and less than 10% of the rice acreage in the colonial and neo-colonial countries. In India, the new seeds were planted only in Punjab, Haryana and some areas of Tamil Nadu. In all the areas of India where this "revolution" spread, more and more peasants were driven off the land and joined the slums of the Indian cities. The impoverished peasants who struggled for survival by waging militant struggles against the landowners were faced with the goon squads of the landowners in collaboration with the state machinery. In Tanjore District, Tamil Nadu, 43 members of families of striking agricultural laborers were forced into a hut and burnt to death by setting it on fire. The big landlord behind this mass murder, a Congress Party bigwig is still going around scot free. The present severe and widespread famine in India is yet another proof that these imperialist inspired "revolutions" cannot solve the problem of starvation, or any other problem facing our people.

Besides offering aid, credits,

etc, directly the imperialist countries also use their international organizations such as the World Bank, International Monetary Fund, etc., for the same purposes. One constant characteristic of all these credit schemes, project assistance, loans, etc., is that they always strengthen the barbaric grip of the imperialists and the local reactionary ruling classes on the people of the recipient country. For example, a World Bank policy paper itself states: "In many countries, avoiding opposition from powerfuland influential sections of the rural community is essential." Guided by this policy towards the "existing social system", the World bank advances its huge agricultural credits only to the big landowners, but hardly ever to the poor small peasants. The example of the joint FAO - World Bank rural program in Guatemala is typical: Less than 3% of the farmers in the area, who owned 112 or more acres of land each, received 50% of the credits; farmers owning seven acres or less (who comprised over 73% of the farmers) received less than 1% of the credit extended. In another instance of credit program to Bangladesh Government, the project was to fund 3000 tube wells, each of which would serve 25 to 30 farmers in a cooperative irrigation group. But in actuality, the tube wells ended up as the property of the richest landlord in the village. (Ref 7.) These are just a few instances of the World Bank's consistent policy of supporting and strengthening the parasitic and bankrupt rule of the rich landlords.

Countless such examples show that though the imperialists will promote the conversion of the very best lands to capitalist agribusiness, they are staunchly committed to preserving the rule of the big landlords so far as it does not come in their way. Historically, it is well known that it was actually the British colonialists, who created the zamindari and the talukdari system. Initially the zamindars and talukdars were simply tax collectors for the British East India

Company, for which they received some income from the British. In recognition of the British setbacks in the American Revolution (viz. "the absence of a powerful strata of colonial population loyal to the British crown"), the then viceroy Lord Cornwallis promulgated the permanent land settlement act in March 1793. This act declared that the Zamindars and Talukdars have "permanent and irrevocable" right of ownership to the lands in which they used to collect taxes. Several hundreds of thousands of peasants became landless and took to running away, since they could not pay the exorbitant taxes and rents. A special law was then passed by the British colonialists, which gave the landlords the right to catch the running peasants and force them to work in the lands. Today the policies of the World Bank and the other imperialist institutions are simply a continuation of the colonial British policy, modified to suit the new neo-colonial conditions.

Prior to the arrival of the British in the early 17th century, India was one of the industrially more advanced countries, exporting paper, iron, ships, glassware, etc., to Europe. (Ref 8) After the consolidation of the rule of the British colonialists throughout the 19th century, the proportion of India's population dependent on agriculture steadily increased. The British colonialists not only killed the local manufacture and industrial development, but also converted valuable grain producing lands to cash crop areas for supplying raw materials for their industries. Their policies created large scale impoverishment of the Indian peasantry. In 1900 the real wages of the landless peasants declined to almost half of their real wages in 1875. In Vizagapatnam, the decline was 48%; in Tinnelvely, 40%; in Ganjam, 43%; and so on (Ref 9). The decline of Indian agriculture continued unabated into the 20th century. The agricultural production per capita had declined by 28% from 1900 to 1950, while due to increase of cash crops, the food production per capita had

plunged by a disastrous 42% (Ref 10).

The Indian people have had hard and bitter experience of colonial and imperialist plunder over a long period of time. Today, the reactionary Indian Government wants us to believe that just because India has got nominal "independence" from the British, everything has now changed; that the British imperialists who plundered our country in the past have now completely changed their outlook and become benevolent humanitarians, that they are increasing their investments in India, not for increasing their loot but simply for "developing" India! On the one hand the Indian Government spreads illusions about the nature of imperialist investments and "aids" to India, on the other hand, it is vigorously selling out India's labor and resources on an increasing scale. With their promotion of "export oriented" economy "for accumulating foreign exchange" they are shipping out Indian products at incredibly low prices. In 1974-75, India exported 48.5 billions of kilograms of Indian tea to Soviet Union, for 0.59 billion rupees (Ref 11). This means that they have exported tea at the rate of 1.2 paise per kilogram. (The local price of tea in the Indian market is about Rs 20 per kilogram: approximately 2000 times the export price for Soviet Union.) The Indian Government is extremely enthusiastic about selling out even more tea. In 1975-76, the export of tea to Soviet Union increased to 58.7 billion kilograms.

Every Indian Government in power since the "independence" of 1947 has been collaborating with the large scale plunder of India by the imperialists. This aspect of the Indian Government is not dependent on the political party in power. The imperialist dependent big capitalists and big landlords of India have always sold out the Indian economy to the imperialist powers. And whichever Government of these ruling classes comes to power, it can only deepen the

imperialist enslavement of the Indian people.

The only way the Indian people can free themselves from this enslavement is to fight valiantly to throw the imperialists out of India and defeat their agents in India. This is the only way, the Indian people can take their destiny in their own hands.

Today, Socialist Albania is the only country, where the people are completely free from imperialist enslavement. By their spectacular achievement in economy, social well being and political democracy, freedom and genuine independence, they have proved the

possibility as well as the desirability of completely overthrowing the yoke of imperialist domination. Today, Albania which is not a member of any military pact, does not owe a single cent of debt to any country and it has the highest rate of economic growth in the whole of Europe without any "grants", "aid" or investments from any imperialist power. Socialist Albania shows the path for the peoples of the whole world!

THROW THE IMPERIALISTS HEADED
BY THE U.S. AND THE SOVIET UNION
OUT OF INDIA !

SUPPORT THE STRUGGLE FOR
PEOPLE'S DEMOCRATIC INDIA !

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