

HOW INDIAN IS THE INDIAN BOURGEOISIE

In the course of my statement, I have tried to show how the Indian bourgeoisie has become more and more dependent of imperialism in all aspects of its activity. Consequently, every detail of our activity - political, social, and economic - has come to be dominated by the imperialists.

I have tried to show how the quantum of assistance from imperialist powers has grown phenomenally from Plan to Plan and how the utilisation of foreign aid has grown - from Rs. 40.54 crores per year upto the First Plan to the phenomenal average of Rs. 1032.56 crores per year during the period of the plan holiday after the Third Plan.

I have shown how this immense flow of foreign finance capital has become a major sustenance for our budgets and for maintaining industrial production even in the already established industries. It was seen that the proportion of budgetary deficit covered by foreign assistance has increased from 9.2 per cent in the First Plan to 52.7 per cent in 1965-66 - that end of the Third Five Year Plan.

We have also noted how foreign private capital, making use of official loans from various foreign governments and international organisations, has made phenomenal progress in the most important industrial activity - steel, oil, chemicals, transport, metal (such as aluminium), and in various other core industries.

We have also seen how the Indian financial institutions - such as I.F.C., I.C.I.C.I., L.I.C. - have become sources of mobilisation of scarce Indian capital in the interests of foreign capital's domination over our corporate sector, and how by financing the lending operations of financial corporations, foreign finance has come to occupy the commanding heights of these institutions.

We have also noted that, in the past two years, international finance has entered and is entering the countryside, in a big way giving huge loans for agricultural development. It has already gained undue influence in the co-operative field. It is on way to

complete domination and control of the financing policies and institutions in the agricultural sector.

We have seen how the influence of foreign finance has changed our policies according to their dictates through allowing induction of huge foreign private capital into the public sector concerns in oil, fertilisers, etc. Our economic policies have been tuned to their wishes - by changing our plan orientation mainly towards agricultural development, reducing the value of the rupee etc.

Finally, we have noted how the economic drain today is not a whit-less than what it was in the colonial period, even though the forms of the drain are different. There is drain in the form of paying foreign personnel - official, semi-official and private - ; drain for repayment of loans and interest mainly for non-income deriving projects of infrastructure, such as power, railways, communications, irrigation ; drain pertaining to excess payments for commodities purchased on account of non-project loans and tied imports, drain due to unfavourable terms of trade imposed by imperialist countries on underdeveloped countries; drain due to excess charges on shipping transport etc; and finally, drain due to payment of profits, royalties, technical know-how, and payments to head offices of 'mother' companies,. On all accounts, it cannot be less than a thousand crores of rupees a year.

And yet, doubts are expressed over the semi-colonial character of our economy. We have tried to answer this doubt by showing how India is not getting industrialised even though a certain number of industries have developed. Neither the total industrial income has effected a qualitative change in total national income, nor production relations have changed from agricultural to industrial in the past 70 years. India has continued to be a stagnant economy over the past 20 years.

Under such objective conditions, to expect an independent bourgeoisie to develop and dominate the field is foolishness unprecedented. Since this question of the character of Indian big business is extremely pertinent to the Indian democratic revolution, we must now answer the question : How independent is the Indian bourgeoisie and how Indian is the Indian bourgeoisie? Is the Indian bourgeoisie a comprador bourgeoisie?

What is the Character of Comprador Bourgeoisie?

There is a general tendency to equate the Indian comprador bourgeoisie to the Chinese comprador bourgeoisie and to immediately assert that since the Indian bourgeoisie is not the same as the Chinese compradores in all aspects, the Indian bourgeoisie is not and cannot be comprador bourgeoisie - that the Indian bourgeoisie is more industrial than the Chinese bourgeoisie, that this is an industrial entrepreneur class and, therefore, cannot be compared with the Chinese bourgeoisie which was not, in the main, industrial.

Their reasoning is as follows : "What is the relevance of imperialism to India ? How neo-colonial is the Indian State?

"Two extreme characterisations, both claiming to be Marxist, falsify reality. One grossly underestimates the collaboration of the Indian bourgeoisie with imperialism by attributing far too independent a character to the former, and the other considers India a neo-colonial State ruled by the comprador bourgeoisie similar to the ruling class in pre-revolutionary China. The first view refuses to recognise the extent of foreign capital's penetration and control of the Indian economy and fails to see the increasing collaboration of the Indian ruling class with imperialism against the rising democratic forces within. The second view is blind to history, to the emergence and growth of an indigenous industrial bourgeoisie more developed than its counterpart in many other countries of colonial Asia. It was this class which led the struggle for independence. It is inconceivable that a comprador bureaucratic class could develop contradictions acute enough to carry on a nationalist struggle against imperialism. Since independence, there has been nothing to suggest that the industrial bourgeoisie has degenerated into a comprador class."

This opinion expresses a serious viewpoint of a section of the communist movement in India - the opinion of C.P.I. (Marxist). This quotation from the Radical Review (Volume 2, No. 3), published from Madras has been taken as the opinion of C.P.I. (M) since it gives its reasoning cogently and clearly in one place.

It gives three reasons to reject the analysis that the Indian bourgeoisie is basically of comprador character.

(1) The Indian bourgeoisie is not similar to the ruling class

in pre-revolutionary China.

(2) For this reason, this bourgeoisie, "could develop contradictions acute enough to carry on a nationalist struggle against imperialism."

(3) The Indian bourgeoisie is an indigenous industrial bourgeoisie, more developed than its counterpart in many other countries.

Chinese Bourgeoisie and Indian Bourgeoisie

From the above account of the C.P.I. (M) opinion, it looks as though there was no industrial bourgeoisie in China. That is not true. Just as in India, penetration of foreign capitalism played an important part in the disintegration of China's social economy - undermining the foundations of her self-sufficient natural economy and hastening the growth of a commodity economy in town and country. This gave rise to certain objective conditions and possibilities for some merchants, landlords, and bureaucrats, to invest in modern industry as far back as in late 19th century, to create capitalism in China. Therefore, there was an industrial bourgeoisie in China, chiefly in textiles and flour milling. It is true that the Indian bourgeoisie grew stronger during the periods of the first and second world war due to their collaboration with imperialism in their war effort and minted extraordinary profits. The question is, this bourgeoisie due to its links with imperialism and feudalism, even though it happened to be the leader of the national struggle and due to the weakness and failure of the working class party to gain the leadership, it was not interested in the total victory of the democratic revolution and compromised with imperialism.

Therefore, it is not a question as to whether the Chinese bourgeoisie was less developed or more developed. The question is what the **main** characteristics were. We must also remember that the Chinese bourgeoisie led a national liberation war. "The Chinese bourgeoisie, which is also a victim of imperialist oppression, once led and played a principal role in the revolution of 1911" (Mao Tsetung) Therefore, to think that only the Indian bourgeoisie led the national struggle, and not the Chinese bourgeoisie, is not correct. For that reason, to come to the conclusion - especially in regard to the Indian bourgeoisie - (which was always against rousing the people for a National Liberation War, and was always

for compromise at every moment when the people came into action afraid of the 'rabble', as Gandhi called them in 1946), that it was "this bourgeoisie which led the struggle for independence", is entirely wrong. To be truthful to history and to facts, it was this bourgeoisie which led the 'grand betrayal' of the national liberation struggle, at a time when all classes of people in the country were on the path of war against imperialism and feudalism.

Before we proceed to discuss the characteristics of the comprador bourgeoisie, we must answer one more facile argument.

In the resolution, "On Left Deviation or Left Opportunism", passed by the central committee of CPI (M) at Madurai in 1967, it is argued :

"What is the implication of a stooge government, a neo-colonial State or a State run in collaboration with imperialism in a period when imperialism is collapsing all over the world? It implies that the State and the Government are already completely isolated, universally hated and armed struggle is the only form left to the people: it has only to be called for it to be started." (page 5)

It is such an infantile and childish argument that it is above all reasonable explanations. It has innumerable number of implications. 'A stooge government' - a stooge to imperialism. When a particular State is the centre of contradictions between various imperialisms struggling for total hegemony in their exploitation, there is no reason to be surprised at such a situation.

Mao Tsetung has said : "However, different sections of the comprador big bourgeoisie owe allegiance to different imperialist powers, so that when the contradictions among the latter become very acute and the revolution is mainly directed against one particular imperialist power it becomes possible for the sections of the comprador class which serve the other imperialist groupings to join the current anti-imperialist front to a certain extent and for a certain period. But they will turn against the Chinese revolution the moment their masters do."

(Chinese Revolution and Chinese Communist Party)

Due to the growing contradictions amongst imperialist powers, India is becoming a cockpit of struggles, so far, mainly covertly but more and more are coming into the open. Simply because of such a situation one cannot refuse to see the semi-colonial nature of the state.

Secondly, the above argument that immediately one characterises a country as a *neo-colonial state*," it *"implies that the state and the government is already completely isolated and universally hated. Armed struggle is the only form left to the people ; it has only to be called for it to be started,"* is a silly, infantile, and fantastic argument. Simply because the government or the ruling class are not yet completely isolated, or are yet not *"universally hated"*, simply because of that, can a neo-colonial State become an independent and a sovereign State? Does it automatically follow that, immediately a State is objectively characterised as a semi-colonial or neo-colonial State, *"armed struggle becomes the only form of struggle"*? Or that one should not characterise any State as neo-colonial State unless, armed struggle *"has only to be called for to be started"*. These are certainly funny conditions to characterise a State. The character of a State does not change on the basis of its complete isolation from the mass of the people at a particular moment. Hitler was the most popular head of the State at a particular moment, and would it be enough reason to refuse to characterise Germany then as a fascist State? People were not ready for an armed struggle in colonial days. Did that preclude the characterisation of India as colonial India?

Chinese Characterisation of Comprador Bourgeoisie

Whatever are the different shades or forms of the comprador class, the basic characteristics are the same. Just as smallness or bigness of imperialism (for example the Portuguese or the British) does not change the basic character of imperialism, so also simply because the Indian bourgeoisie is more developed than any other bourgeoisie in Asia does not by itself preclude its being a comprador bourgeoisie.

Therefore, it is necessary first to understand the characteristic feature of the comprador. Let us, therefore, try to understand what the Chinese mean by comprador.

"In economically backward and semi-colonial

China, the landlord class and the comprador class are wholly appendages of the international bourgeoisie depending upon imperialism for their survival and growth."

(Mao Tsetung "Analysis of Chinese Society").

A further explanation is given as a note to the above :

*"A comprador, in the original sense of the word, was the Chinese manager or the senior Chinese employee in a foreign commercial establishment. The comprador served foreign economic interests and **Had Close Connection** with imperialism and foreign capital."*

Thus a comprador has various shades of dependence according to the nature of the times. He might be merely an ordinary employee or he might act as a manager, he might be acting as a direct purchasing agent of a foreign firm for the supply of raw materials or a selling agent of his product ; he might be acting as a **benami** of foreign finance or a subordinate partner of a foreign firm ; or, during this period of the final stage of the collapse of imperialism and the victorious march of national liberation struggles the activity might take the form of *'joint sector'*. All these various forms can make the native bourgeoisie, wholly appendages of the international bourgeoisie, *depending upon imperialism for their survival and growth*, and so serving foreign economic interests in close connection with imperialism.

Such diverse forms are not peculiar to India. There are always certain parties, as in India to confuse the issue, in their effort *"to root out all revolution, and thorough-going resistance and to prepare public opinion for their capitulation "*

(*"On New Democracy"*)

Mao Tsetung, characterising such a situation, says the following :

"This is deliberately being fostered by the Japanese imperialism. Since their occupation of Wuhan, they have come to realise that military force alone cannot subjugate China and have, therefore, resorted to political offensives and economic blandishments. Their political offensives consist in tempting wavering elements in the anti-Japanese camp, splitting the united front, and undermining Kuomintang - Communist co-operation. Their economic

blandishments take the form of **so-called joint industrial enterprises**. In central and southern China, the Japanese aggressors are allowing Chinese capitalists to invest 51 per cent of the capital in such enterprises, with Japanese capital making the other 49 per cent, in northern China they are allowing Chinese capitalists to invest 49 per cent of the capital, with the Japanese making up the other 51 per cent. The Japanese invaders have also promised to restore the former assets of Chinese capitalists to them in the form of capital shares in the investment. At the prospect of profits, some conscienceless capitalists forget all moral principles and itch to have a go. One section have already capitulated. Another section lurking in the anti-Japanese camp would also like to cross over So they have put their heads together and decided to prepare the ground in cultural circles and through the Press. Having determined on their policy, they have lost no time in hiring some 'Metaphysics-mongers' plus a few Trotskyites who brandishing their pens like lances, are tilting in all directions and creating bedlam."

("On New Democracy").

The position now is made clear. At a certain stage in history, imperialism adopts new tactics to ally itself more firmly with the indigenous bourgeoisie and one of the tactics is to allow 'joint' partnership in 'joint industrial ventures'. It is not simply a question of the "growth of indigenous industrial bourgeoisie, more developed than its counterpart in many other countries of colonial Asia". To look at this problem on the basis of the formal outward appearance, and to forget the inner content is to behave like simpletons and not Marxists. "All that glitters is not gold", and "all that is white is not milk", however much the revisionists may try to prettify foreign aid.

That is why Mao Tsetung characterising the comprador bourgeoisie says :

*"The comprador big bourgeoisie is a class which **directly** serves the capitalists of the imperialist countries and is **nurtured** by them; countless ties link it closely with the feudal forces in the countryside."*

("Chinese Revolution and Chinese Communist Party").

How succinctly and clearly it is defined ! The comprador bourgeoisie is nurtured by the imperialists and this comprador bourgeoisie serves them. I have pointed to the court as to how this

mutual understanding has been working in Indian conditions. The growth of the Indian bourgeoisie is directly linked to foreign finance. Every new industry established in this country is nurtured by foreign finance. The phenomenal growth of the big bourgeoisie during the 'post-Independence' period is directly linked to foreign finance. Tatas, Birlas, Mafatlals, and a score of others, have grown and are growing under the protective umbrella of foreign finance capital. Simultaneously, foreign finance is served directly by the compradors through magnanimous tax concessions, and by putting at their service all the financial institutions and scarce budget resources.

It is useful to recall what Teresa Hayter has said in her book, "Aid as Imperialism", regarding the role of foreign aid : *"It may help to create and sustain within third world countries, a class which is dependent on the continued existence of aid and foreign private investment and which therefore becomes an ally of imperialism"* (Page 9).

And yet, there are some people, masquerading as communists, who have been *"brandishing their pens like lances, are tilting in all directions and are creating bedlam"* in their pitiful trial to cover up this nasty but dangerous deal in various forms.

Growing Degeneration of the Indian Bourgeoisie

Another patent argument in support of the thesis that the Indian bourgeoisie is not comprador is that, *"since Independence there has been nothing to suggest that the industrial bourgeoisie has degenerated into a comprador class"*. This objectively incorrect thesis has dangerous implications. It concedes that the Indian bourgeoisie is being an independent bourgeoisie by playing an independent role and taking advantage of the contradictions between Soviet social imperialism and Western imperialism and by playing between various Western imperialist States, and that it is capable of independent growth. It may be slow and halting but it is independent growth. This thesis further implies that the Indian revolution has no more to fulfil the task of national liberation. Izvestia of September 4, 1970, quotes Leonid Brezhnev as having said in his report on Lenin's birth centenary as follows :

"Today, with the disintegration of the colonial empire of the

capitalists in the main completed, the former colonial world has entered a new stage : The struggle no longer is solely for national but also - and this is now the main thing - for social liberation and this is today becoming more and more sharply pronounced."

Does it mean that, since the disintegration of the colonial empire "is in the main completed", the former colonised world in the main has no more an anti - imperialist political task? It means so because the task today is not political but social liberation. That is the new stage about which the revisionists speak in the former colonised countries. This arises out of an incorrect analysis of the character of the Indian big business and their servile role in relation to imperialism.

These persons refuse to see that neo-colonialism is a more pernicious and sinister form of colonialism. India has not only not completely shake off imperialist plunder, it has become an object of contention between various imperialist powers. And this is a fact of our everyday life. The old colonialists have changed into neo-colonialists, and the new colonialists who have entered the field and have created a class which is dependent on them.

Today along with the British hold on our economy, American, West German, and Japanese finance capital's hold on it is of no mean order. Soviet revisionism, moreover, is a partner and contender in this struggle for control. That the bourgeoisie, even though developed to a certain extent, is mostly associated with foreign imperialism is a fact. Imperialism controls India's vital financial and economic arteries. Not only economic but even cultural development is financed and programmed by them. Through their banks, aid, and penetration of private capital, imperialism is in control of our trade. They operate many enterprises in both light and heavy industries directly, and many more through joint sector, and thereby exert economic influence and pressure heavily and obstruct the development of productive forces. Imperialists, thereby, have created through the compradors a network to facilitate the exploitation of the remotest of the hinterland of our country.

To finally clinch this issue, it is important to study the growth of at least one or two important houses in the 'post Independence' period.

Growth of the Birla House between 1958 and 1966-67

Birlas are one of the few Indian industrialists who are making phenomenal progress in 'independent' India. The assets of the Birla House in 1958 in the public and private companies, according to Dr. Hazari's data in "The Structure of the Corporate Private Sector" amounted to Rs. 118 crores.

By 1966-67, the assets of the Birlas increased to Rs. 447 crores - i.e., by about Rs. 329 crores as per the estimate of EconomicTimes ("Directory of foreign collaborations" Volume II, Section 4, Page 18).

This is certainly excellent growth. What were the extraordinary objective conditions responsible for this growth? From the figures that I could gather, it was the great help rendered by the foreign finance capital that was mainly responsible (along with the help rendered by government financial institutions) for this leap. Let us look at the facts available with me :

The following are the foreign loans that this house received from various - mainly American - sources :

PL 480 : Cooley Loans	Rs. crores
1. Hindustan Aluminium (1960, 64 & 66)	5.00
2. Mysore Cement (1960 & 62)	1.55
3. Renusagar Power (1965 & 66)	4.79
4. York India (1966)	0.15
Total	11.49
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US Export - Import Bank	
1. Hindustan Aluminium (1960, 63 & 65)	22.24
2. Orient Paper Mills (1961)	13.85
Total	36.09

DLF/AID Loans

1. Hindustan Motors (1962, 64 & 65)	31.35
2. National Engineering	3.23

Total	34.58

Foreign Exchange Loans from IFC & ICICI :

These amount to (till 1966) 10.98

The total foreign loans received from the above sources by the Birla House till 1965 aggregated Rs. 93.14 crores. Thus, out of an increase of Rs. 329 crores of assets during this period, nearly 28.3 per cent finance was provided by international loans as published in External Assistance and the Report of the Dutt Committee.

But these are not the only foreign loans that the Birlas have received. Quite a number of deferred payment agreements, or equity shares of foreign collaborators, loans from the Commonwealth Development Finance Company Limited, U.K., and many others, are not fully available. The following are the few that I could collect. The information here, which is extremely partial, will only help to understand the depth of the dependence on foreign finance.

<i>Name of the Company</i>	<i>Purpose</i>	<i>Amount</i>
1. Birla Jute Mfg.	Cement plant at Chittorgarh 1964	Rs. 50 lakhs French credit Rs. 10 lakhs Danish credit
2. Gwalior Rayon	Weaving division expansion 1963-1964	Orders for plant and machinery with Japan against payments spread over 10 years
3. Hindustan Aluminium		Rs. 160 lakhs of share capital of Kaisers

<i>Name of the Company</i>	<i>Purpose</i>	<i>Amount</i>
4. Hindustan Motors Ltd.	\$ 450,000 on October 21, 1963, \$ 250,000 on January 25, 1966 (Rs. 52.5 lakhs)	Common wealth Development Finance Company Limited U. K.
5. Indian Rayon Corporation	Rs. 40 lakhs equity capital to Vonkonoru International Corporation U.S.A. Rs. 178 lakhs deferred payment credit to be provided by the company's collaborators.	
6. Pipe Project (outlay of Rs. 40 lakhs)	51 per cent Indian Rayon 49 per cent Raheem Manufacturing Co., N. Y. (1963-64)	
7. Mysore Cements	Total paid up capital Rs. 79.95 lakhs	Rs. 9.70 lakhs equity to Kaiser Engineers Overseas Corporation. Rs. 19.30 lakhs Willy Overland Export Corporation
8. Universal Cables Ltd.		Rs. 40 lakhs Common-Wealth Development Finance Co.
9. Universal Electrical Ltd.	House service meters	Rs. 8.1 lakhs share capital to Mitsubishi Electric Manufacturing Co., Japan
10. York (India) 50 per cent		Rs. 10.0 lakhs share capital, Borg Warner Corporation, U.S.A. Holding company, A.G. Gorz Switzerland
11. Gorz Beckert Saboo Ltd. (foreign company)	Report of IIPIC Appendices II P. 112	
12. Hindustan Dowidat Tools		Rs. 6.5 lakhs equity shares to Dowidat works Remeched, W.G.

The above material clearly shows that, even without full information, the growth of the Birlas during this period was heavily financed by imperialist capital.

One more factor we should note is that every one of the new industries of the Birla house during the post-independence collaboration was almost more than 50 per cent financed by foreign capital or nurtured by them by every other means. Those industries are Hindustan Motor, Hindustan Aluminium, Orient Paper Mills, Mysore Cements, Renusagar Power. These are the most sophisticated of Birla industries, and they are almost entirely foreign financed and totally controlled by them. The latest - the Goa Fertiliser project - is a scene of the collaboration which finally sets the characterisation in its proper perspective.

Added to this foreign capital, is the bureaucratic capital which has joined hands with foreign capital to help it grow. The finance corporation IFC, and ICICI, gave the Birlas during this period financial assistance totalling nearly Rs. 20 crores (including Rs. 10 crores of foreign exchange). The State Bank of India and the Refinance Corporation added further assistance of Rs. 12.59 crores. The L.I.C. and the U.T.I. helped the Birlas with Rs. 10.77 crores. During 1956 to 1966, the public sector had thus assisted it with Rs. 81.62 crores.

The picture is a little bit clear. Out of an addition of Rs. 329 crores of assets to the Birla group of companies during these 10 years period, foreign finance - without taking into account foreign equity capital or loans from other than the U.S.A. or deferred payments - from U. S official sources alone was nearly 28 per cent. Nearly an equal amount Rs. 81.62 crores - was financed from bureaucratic capital. Major growth has been in the foreign - controlled companies. What does one call this growth ? Is it development of an independent industrial bourgeoisie, or development of a comprador bourgeoisie dependent on foreign finance and nurtured by them.

The Growth of Tatas

Tata's industrial structure is the best example of how a comprador is made entirely dependent on foreign capital and nurtured by them. The number of Tata companies which have foreign equity capital of a substantial magnitude are many in number, and Tata's connections with foreign capital are wide.

The following companies have foreign equity holdings :

(1) **Belfar Refractories** : (1958) Didier Werke of West Germany has equity shares.

(2) **Goodlass Nerolac Paints** : (1933) Lead Industries Ltd. England, is the holding company.

(3) **Indian Tube Company** : (1953) Jointly owned by Stewarts and Lloyds and Tatas.

(4) **Scottish India Machine Tools Limited** : (1964) Rs. 25.60 lakhs equity held by Scottish Machine Tools, U.K., (about 40 per cent of equity). The British company was also to select in U.K., or elsewhere in Europe, specialists or technical personnel for employment in the company in the capacity of technical director, production engineer, and chief inspector.

(5) **Tata-Fison** : (1957) : Fisons Limited, U. K., hold half of the capital (Kidron) "In India Fisons Limited, the international chemical and fertilisers group, on its own and in association with Tatas has interest in a number of subsidiary and associate companies - Tata - Fison Ltd., Rallis, C.E. Fullbord (India), Whiffins (India) Excel Industries."

(6) **Tata-Finlay** : (1960-65) : Finlays have substantial (majority?) shares. The other prominent companies of the Finlay group of mills are : Finlay Mills, Swan Mills, Gold Mohar, Tisco, Belfar Refractories, Indian Tube, Voltas, Tomco, and several other group of companies including the electric companies.

(7) **Tata-Merlin - Gerin** : 1964 : Promoted by Tatas, Voltas, and Merlin & Gerin (France) : Volkarts of Switzerland are buying agents of the company and Voltas are sole selling agents.

(8) **Tata-Johnson** : 1960 : Subsidiary of AB Karstad Mokhaniskan Warkade of Sweden hold 51 per cent of the shares.

(9) **Voltas** : 1954 : Promoted by Volkart of Switzerland and Tatas. L.I.C. has financed this company heavily. It holds 21.75 per cent of paidup capital, and 32.5 per cent of the total debenture issue.

(10) **Associated Bearing Company** : 1961 : SKF Gothenburg Sweden holds 60 per cent of the equity shares.

(11) **Tata-Robins-Fraser** : Hewitt Robins of USA and Fraser

and Chalmers Engineering Works of British General Electric Group will share 49 per cent of the investment.

(12) **Tata Engineering** : Daimler Benz of West Germany received ordinary shares with two-fifths of the issued capital in the automobiles division.

(13) **Bradma Ltd.** : 1952 : Subsidiary of Adrema Ltd., U.K. which holds 55 per cent of equity.

(14) **Ceat Tyres of India** : 1955 : Coat Gomma SPA of Italy has more than 50 per cent of shares.

(15) **Henley Cables** : 1959 : AEI of UK hold 56.21 per cent of equity shares ; Tata group about 17.72 per cent.

(16) **Merck Sharp & Dohme** : 1958 : Merck of U.S.A. holds 60 per cent of equity capital.

(17) **Industrial Perfumes** : 1957 : Roure, Betrand, Fils and Justin Duport, Paris holds 40 per cent of equity.

(18) **International Fisheries** : 1957 : International Fisheries Corporation of U.S.A. holds 51 per cent of equity.

(19) **Wiffins (India)** : Either a subsidiary or associate company of Fisons.

(20) **Tata Power** : "A big part in founding the Bombay Electric Trust was played from the start by the American monopolists. In 1929, a subsidiary of J.P. Morgan began managing the hydro power stations of western India, together with a Tata concern. The Tata firm would run the companies, Tata Power, Tata Hydro Electric, and Andhra Valley Power, **jointly with the American Syndicate** which would have half the rights and would pay Rs. 37.50 lakhs in compensation; the agency managing the companies would be turned into a private joint stock company run by a board of seven directors - four of them appointed by the syndicate (two being American experts, two Indian), three appointed by the Tatas." (Levkovsky, Page 250).

"An interesting feature of the subscription list" of Tata Hydro Electric Power Supply Co. said Dorab Tata, head of the Tata firm, "is that the bulk of the shares and debentures has been taken by some of the most prominent ruling chiefs and princes in India" (Levkovsky, Page : 82-83).

(21) **Tata Iron and Steel** : This, biggest company of the Tatas, was from the early period closely connected with American enterprise. An American economist who visited Tatanagar in the early 1930's wrote : "A somewhat strange relic of the old days remains at the ore mines in the loading of iron ore from the baskets of the women's heads rather than by steam shovel. The American manager explained that this was more economical. Rice for the women is cheaper than coal for a steam shovel". "Tata Steel came to an agreement with Henry Kaiser and Company of America for designing, procurement, and construction of the extensions to the steel mills".

(22) **Cement trust** : British and Indian cement plant owners decided on the merger of cement plants and on the formation in 1936 of a united cement trust - the Associated Cement Companies - in which British capital, the Tata concern, and some of the native princes, were represented. Thus ACC offers an example of the close business co-operation of British finance, the Indian monopolists, and the princes. "Its 24 - man board of directors consist, along with representatives of the British monopoly of Killick concern and Tata concern, eight directors representing various princes" - an excellent example, indeed, of the combination of foreign and Indian capital along with feudal interests !

Thus the Tatas from the earliest period to the present day have had the closest links with imperialist capital and feudal interests. Their ties with Burma Oil, Tin Plate of India, Bird Heilger's companies, Guest Keen Williams, and Meneill Barry, are also strong.

Therefore, it is no surprise that Tata's have been growing fast also with the help of foreign finance. Tata assets are said to have grown from Rs. 293 crores in 1958 to Rs. 464 crores in 1967 - a growth of Rs. 171 crores - and during this period international loans alone account for Rs. 84.35 crores, other than the foreign investments in the various companies I have listed above.

In the circumstances, is it correct to say that "since Independence there has been nothing to suggest that the industrial bourgeoisie has degenerated into a comprador class"?

Much of the growth is thus found to have been initiated by the huge multinational companies, most of which are based in the U.S.A., West Germany, and Britain. This is the case with almost

all big business houses :

For example, Mafatlal's growth is mainly due to Indian Dyestuffs, National Organic, and Polyolefins. These three companies account for Rs. 55 crores of assets out of a total of Rs. 107 crores of assets of this House in 15 non-financial companies. Who, in his senses, can say that they are Indian companies ?

Thus foreign ownership and control of Indian business continues to increase, in both absolute and relative terms, through direct investments and loan capital, in all the major industrial houses during this post - 'Independence' period.

Therefore, comprador bourgeoisie is the most dominating force in Indian economy. It is clear from the above enumeration of facts that they are wholly appendages of international finance capital, wholly dependent upon it for their growth. It is clear that this class, which has close relations with feudal landlordism, represents the most backward and most reactionary relations of production and hence hinders the development of India's productive forces. It is a class which has countless ties with imperialism and that it directly serves them for petty, secondary profits. As a subservient and useful force to imperialism, it is nurtured and maintained by it. The links of the comprador bourgeoisie with the feudal landlords are strong. For them, democratic revolution is an anathema. *"They have formed into a camp of traitors, for whom the question of whether to become slaves of a foreign nation simply does not exist because they have already lost all sense of nationality and their interests are inseparably linked with imperialism"*. Whichever imperialism is prepared to give a sucker to it, they are prepared to surrender to it.

For this reason, India is being made into a cockpit of international contradictions - each trying to make India into a strong base for super profits for itself.

I had explained why the bourgeoisie is against the full bloom of the democratic revolution. I had also in short narrated why and how the Indian bourgeoisie betrayed the national liberation struggle and arrived at a compromise with imperialism and feudalism.

As Mao Tsetung had explained in 1940: *"It is an era in which the world capitalist front has collapsed in*

one part of the globe, and has fully revealed its decadence everywhere else, in which the remaining capitalist parts cannot survive without relying more than ever on the colonies and semi-colonies, in which the socialist State has been established and has proclaimed its readiness to give active support to the liberation movements of all colonies, and semi-colonies and in which the proletariat of the capitalist countries is steadily freeing itself from the social imperialist influence of social democratic parties, and has proclaimed its support for the liberation movement in the colonies and semi-colonies. In this era, any revolution in a colony or semi-colony that is directed against imperialism i.e., against the international bourgeoisie or international capitalism, no longer comes within the old category of bourgeois democratic revolution, but within the new category. It is no longer part of the old bourgeoisie, or capitalist world revolution, but is part of the new world revolution, the proletarian socialist world revolution."

"Such a revolution attacks imperialism at its very roots".

Such is the nature of democratic revolution in India, against imperialism, comprador bourgeoisie, and feudal landlordism.

Such a revolution cannot be led by the bourgeoisie. As part of the world revolutionary struggle it has to be led by the working class to its consummation.

History has proved that the Indian bourgeoisie cannot fulfil this responsibility, however much the revisionists might wish and render all help to the bourgeoisie. Therefore, this responsibility falls upon the shoulders of the proletariat.