

## CHAPTER IV

### Crisis of Capitalism in India & Relation of Class-forces

98. The efforts of the Indian bourgeoisie to maintain capitalism in India in this epoch of intensifying world-crisis of capitalism are bound to fail. The Indian bourgeoisie appear in the world-market with their own organized state-power at a time when the world capitalist market is divided between the principal imperialist powers. No bourgeoisie is ever free of imperialist ambitions, but the present-day world is not at all favourable for any attempt of the Indian bourgeoisie to acquire an empire ; the Indian bourgeoisie cannot hope to acquire large colonial and semi-colonial markets of their own in this period of anti-colonialist struggles. Any effort on the part of Indian bourgeoisie to secure a substantially bigger share of the world capitalist market through a forcible redistribution is bound to meet such insuperable opposition from the imperialist powers and other countries as well, that such a venture is clearly ruled out. The Indian people, too, after their long struggle against imperialism, may be expected to oppose any imperialist bid for colonies.

99. Thus, room for export of the crisis from India is very narrow indeed. The home market, in its turn, can be expanded only by such measures as increase

the purchasing power of the people. Capitalism is basically incapable of doing this. Measures that can sweep away the relics of feudalism in the countryside, initiate an agrarian revolution, develop large-scale farming with modern machines and methods ; break the stronghold of the rich peasants, wholesalers and mill-owners in agriculture ; severely curtail the profiteering of capitalists and traders ; destroy the sources of black money ; confiscate all hidden hoards of money and materials ; develop large-scale industry without concentrating power in the hands of the monopolists ; ensure an equitable distribution of the national income ; and replace the enormously expensive bureaucratic apparatus of administration and management with organs of popular democratic administration, management and control,—call for a process of organized revolutionary mass struggle against the existing property-relations and entail further radical steps that go beyond the limits of democratic reforms and merge into a socialist revolution.

#### Role of the Bourgeoisie

100. The bourgeoisie in India have no interest in such a revolutionary process. Had the bourgeoisie been capable of initiating or even favouring such a process, a process of their suicide as a class, they would have ceased to be bourgeois, and painless death of capitalism would have been a possibility.

101. The aim of the bourgeoisie is not an alteration of the existing property-relations. They are interested in maintaining the existing order, with



higher and higher profits for themselves, cheaper labour with higher productivity, cheaper raw materials, and undisturbed rule of the bourgeoisie.

102. In keeping with this aim the bourgeoisie resist all people's efforts to bring about any improvement in the situation. Any organized or spontaneous mass movement in India on any issue connected with the life of the people immediately faces ruthless measures of repression from the bourgeois government. Workers' trade union rights are generally not recognized, strike-struggles are often declared illegal ; the government itself, as the largest employers of labour, denies political rights to their employees. Mass campaigns against rising prices of food-materials are met with police terror. Peasants' movements for reduction of taxes, for adequate prices, for irrigation benefits, for food and employment, are suppressed. The bourgeois government consider the masses as their main enemy—not any other force.

103. The bourgeoisie employ various heinous and criminal methods to weaken and disrupt the toilers' movements. Through their newspapers and through groups of agent-provocateurs and political agencies financed by them, the bourgeoisie raise issues of communalism and provincialism, that drive and disrupt the toilers' organizations. In the name of patriotism, they seek to persuade the people to postpone all their struggles "for the sake of the nation", and organise mob violence and anti-communist campaigns to disrupt and weaken toilers' movements.

104. The bourgeois government employ their secret police not for watching the profiteers, hoarders, tax-evaders, and imperialist agents, but for watching political workers who organize campaigns against the hoarders and profiteers and oppose imperialism. The secret police employ all the notorious methods from inhuman torture to bribery and corruption against the forces that stand for socialism. Clearly, the bourgeoisie and their government consider any growth of the revolutionary forces as a great danger for themselves. And this is not merely in India ; this bourgeoisie considers that development of revolutionary forces anywhere else would also be a danger for them ; that is why political mouth-pieces of the bourgeoisie deliver sermons against revolutionary methods in the African peoples' struggles too ; they pretend to be sworn to non-violence as a creed, while shamelessly employing the most brutal violence against their own people.

105. There is, therefore, no possibility of any solution of the crisis of capitalism within the capitalist order in India. The bourgeoisie, of course, are resorting to various measures to shelve the crisis, and they will continue such efforts. But these bourgeois remedies or relief-measures merely modify the form of the problems, they do not solve them. Increased state-investments, welfare expenditure, defence expenditure, etc., as we have already seen, postpone the crash in one direction, while huge cracks appear in the bourgeois order from other directions. Thus, the increased state expenditure necessitates heavy taxation of the people, and immediately reduce their purchasing power. The



mounting inflation, a result of deficit financing, reduces the real income of the toiling masses ; the price-spiral generated by this kind of inflation rebounds on the government's planning, and planning becomes self-defeating in effect. The efforts to secure the home market from foreign competition lead to import-restrictions, which tend to provoke retaliatory measures by other countries, and the market shrinks as a result. Politically, too, the government's efforts to suppress the toilers' struggles fail to achieve their ends, and intensify these struggles.

### **Foreign Dependence**

106. In their efforts to evade the impending collapse of the economy the government of the bourgeoisie creates further complications, both economic and political. They lean heavily on foreign aid and loan to keep this economy running. Foreign loans have to be repaid with interest. The apparently grandiose constructions and industrial projects which the government show off to the people, hide enormous deficits which will have to be made good sooner or later. Foreign exchange earning and savings have already become major considerations in policy making, and India still goes begging for loans and aid from almost all capitalist countries. The USA as the major creditor has acquired powers to upset the apple cart of Indian economy at any time, and any sharp change of policy on the part of the American capitalists can bring about a collapse here.

### **Corruption & Distribution of Favours**

107. The Government, in the name of planning and development, have also generated an immense system of interlocked corruption and incompetence in the country. As a consequence of the enormously increased economic activity of the state, the party in power has acquired control over fabulous sums of money and an unprecedented capacity of distributing favours ; relief-grants, business licences, trade permits, permits for cement and steel and railway wagons and almost anything, sanctioning of tube-wells and roads, aids to schools and clubs, loans for business, finance for industry and trade, government-contracts of various kinds and dimensions,—all these offer channels to the ruling party for securing resources and support and helpless subservience. As a result, the normal processes of parliamentary democracy are grossly distorted, and it has become extremely difficult to displace the party in power even by another bourgeois party.

### **The Bourgeois Opposition**

108. The parliamentary opposition, too, by and large, has become a participant in this country-wide network of distribution of favours. Corruption is not restricted to the ruling party alone ; many of their parliamentary opponents, too, enter into questionable transactions, and derive benefits through government agencies, even while fulminating against corruption in public.

109. There is another aspect of the situation which should be noted. It is becoming evident that



the bourgeois government is becoming increasingly incapable of ruling the country in the old ways of parliamentary democracy. The state-machinery that they use for their purposes has become so ridden with corruption and inefficiency, red-tapism and procedural tangles, delays and dilatoriness, that consistent and far-sighted action on the part of the government has become impossible. The anarchy in the economic system is paralleled by an equal anarchy in the entire political system.

110. Thus, there is not only no possibility of the bourgeoisie participating in a mass revolutionary struggle for changing the established order, there is every indication that the bourgeoisie will employ the most ruthless violence and all sorts of repressive measures against any organized attempt of the people to alter the shape of things. There is also no hope of reliable and lasting improvement of the situation through parliamentary struggles for reform. The bourgeois party in power is determined to hold its position through all means. Besides the methods of wide distribution of favours on a very large scale, use of violence and repressive measures against political opponents, organizing mass hysteria in the name of patriotism in order to confuse the people, employing the big newspapers and the government-owned radio and other means of propaganda for its party-interests, this government has also shown that it will not hesitate to over-ride the constitution as and when it feels that there is a likelihood of its opponents coming to power through the very constitution. In Kerala it has shown very clearly what to expect from it, as regards parliamentary democracy.

111. There is no common ground between the bourgeoisie and the toilers in India today. The two forces face each other as enemies ; and strength of one is weakness of the other.

### **Contradictions within the Bourgeoisie**

112. Complete unity and solidarity within the class is not a characteristic of the bourgeoisie in any country. Private profit and competition for profit being the very basis of capitalism, the private owners of the means of production come into conflict with each other in competing for market, for sources of raw materials, for securing of credit facilities and state assistance, etc. etc. The warring individuals form into mutually antagonistic groups on the bases of race, nationality, region, language, religion, trade, cast and clan, families and houses etc. The relations between these groups and within these groups keep changing according to the changing situation, and various overlapping permutations and combinations, contradictory alliances and oppositions occur continually.

113. The capitalist class is also divided horizontally in various layers. Capitalism continuously concentrates wealth and power in the hands of fewer and fewer people. Gigantic monopolies emerge at the top, which seek to drive others down to the bottom, and also to throw each other out of the topmost rung of the ladder. The capitalists in the lower rungs of the ladder grumble and even combine against the monopolists, raise slogans of curbing of monopolies, state assistance to smaller capitalists, etc. etc. On



specific questions of economic policy of the Government, the capitalists separate into opposite groups ; some ask for higher tariff walls, others ask for liberalization of trade ; some ask for higher prices for steel, others oppose it ; some want increased state expenditure on buildings, so that the cement industry may thrive, others want the state to spend more on automobiles or aircrafts ; some want higher prices for cash crops, others want lower prices for their raw materials. These divisions within the capitalist class give rise to different parties of the bourgeoisie, and the multi-party-system of parliamentary democracy is based on such differences within the bourgeoisie. In colonies and semi-colonies, the native bourgeoisie tend to break up into two sections—one collaborating with imperialist rulers, the other supporting the national liberation struggle.

114. These differences within the bourgeoisie, however, do not always lead to the same kind of results in all countries. The bourgeoisie, in spite of their differences, are as a class opposed to the proletariat ; and in certain situations they may sink their differences and present a common front against the proletariat and the people led by the proletariat ; awareness of a common danger tends to overcome the differences within the bourgeois class. In certain other situations, the bourgeoisie may not be able to combine even in the face of the common danger, and complexities of the situation may paralyse some of its sections.

115. In India today, the contradictions within the capitalist class do not take the form of two opposed

groups facing each other in day-to-day struggles. All groups of bourgeoisie have a vested interest in the existing order ; none has any interest in a fundamental change of existing property relations. No bourgeois group is engaged in a direct struggle against imperialism ; on the contrary, every bourgeois group is engaged in daily efforts to suppress, divert or disrupt struggles waged by the working class. On a specific issue a particular group of the bourgeoisie may seem to favour mass campaigns carried on by the toiling people ; but the same group is doggedly anti-people on other issues. Groups of the bourgeoisie seek to utilize the toilers' struggles as a means of pressure on the government to bring about a particular modification of a particular policy ; but there is no fundamental opposition between the government and any group of the bourgeoisie.

116. This relation is also reflected in the absence of any alternative political party of the bourgeoisie as a serious rival to the Congress. Parties like the Swatantra Party or other extremely reactionary parties receive favours from the bourgeoisie, no doubt, but they have a long way to go before they can become serious aspirants for power. In fact these parties are maintained by the bourgeoisie as pressure-groups and groups of lobbying-agents around the Congress for fulfilling certain limited aims, and particularly to hold in check the impulses that develop in the government's foreign policy towards closer relations with the USSR, as also to obtain tax-reliefs and other facilities for capitalists. These parties are also groups of lobbying-agents for foreign imperialist powers.



117. It is not likely, therefore, that in India the toiling people will have any section of the bourgeoisie as their ally in their struggle for liberation. Neither the relation of classes in the context of the existing social order, nor the political alignment of forces indicate such a possibility. Programmes of National democracy or People's Democracy, or any other programme based on an alliance with the bourgeoisie or any section of the bourgeoisie, are not applicable in India. All that the toiling people can hope for in this respect is a paralyzation of isolated groups of the bourgeoisie by organization of over-whelming mass force in the struggle for liberation. The main struggle will have to be waged against the bourgeoisie.

### **Role of the Working Class**

118. In their struggle the millions and millions of toiling people must be led by the working-class. For the working-class alone is interested in a radical alteration of the entire social order. The existing social order has nothing to offer to the working-class but hard labour and unemployment and miseries. The working-class has nothing to lose but its chains. That is why the working-class is naturally revolutionary, and consistently revolutionary. That is why the working-class is capable of heroic and desperate struggles against the existing system.

119. The working-class is also the only class that can grow in India today. The working-class can invite all other people to become workers, whereas the bourgeoisie is constantly driving people away

from within its class. The conditions of life of the working-class teach the workers to unite and organize, whereas all other classes are naturally disorganized and naturally disunited.

120. The working-class learns from its life that private ownership of means of production is irrational. Interconnected by, and interdependent through the socialised character of the forces of production, the working-class is the most reliable fighter against disruptions and dissensions among the toiling people. The working-class alone can combine all other sections of the toiling people in a common struggle. Above all, the working-class alone has a programme that can liberate the entire society.

121. The working-class, however, in order to liberate itself and liberate other toiling people, must raise itself to the position of the liberator. Workers must become class-conscious, must unite and build their fighting organisations, forge links of solidarity and joint action with other toiling people, and master the ideology and programme of socialist revolution. Hard-driven in their struggle for existence, deprived of opportunities for acquiring knowledge and education, exposed to the barrage of misleading propaganda and false preaching carried on by the ruling class, workers do not automatically or spontaneously become revolutionaries. The working-class has to be transformed by socialist education.

### **The Peasantry**

122. In order to ensure victory in its struggle, the working-class must win over the overwhelming



majority of the toiling people to its side. The peasantry still remains the largest section of the toiling people in India, and a correct relation between the working-class and the peasantry is a pre-condition for the success of the toiling people's struggle.

123. The peasantry, however, is not an undifferentiated mass, and the working-class cannot hope to win over all the different strata within the peasantry. Generally speaking, the peasantry is petty-bourgeois in character. But in the case of the overwhelming number of peasants, the petty-bourgeois leanings are obliterated by the terrible poverty and sufferings inflicted on them by the existing order.

### **Agricultural Worker**

124. The landless agricultural worker is a potent factor. The capitalist order has nothing to offer this section of the toilers in the rural areas. Capitalism cannot satisfy their demands of employment or of living wages. This section is rightly described as the agricultural proletariat, and the industrial proletariat must forge firm relations of solidarity with this section. By patient and persistent work among this section, the working-class should be able to win them over completely to the common cause.

### **Poor Peasants**

125. The poor peasants, who own small bits of land but can hardly keep flesh and bones together from the produce of this land, and often work for

wages or as share-croppers, are more or less in the same situation as the agricultural proletariat. Groaning under the burden of indebtedness, depending on the poor returns of back-breaking labour with antiquated implements and technique, often going without employment, suffering from various disabilities of social custom and from illiteracy, victims of the price-manipulations of wholesalers and mill-owners, often losing their poor holdings, these peasants cannot but support organized struggles for liberation. The working-class, along with the agricultural workers, must be able to establish lasting unity with this section of the peasantry.

### **Middle Peasants**

126. The middle peasants, who are partly cultivators of their own land, and partly employers of wage-labour, show conflicting trends. Against the rich peasants, wholesalers and mill-owners they have to organize in various struggles. But they lean towards the bourgeoisie as against the agricultural workers. Again, they have major and mounting grievances against the bourgeois government in many matters. Most of the mass peasant struggles for proper fixation of minimum prices for agricultural produce are struggles of the middle peasantry. The middle peasant also suffers as a result of the heavy taxes levied by the government. Widespread oppression and maltreatment of poor people in the countryside give grounds of deep hostility against the rich and the powerful. Discontent is very marked, and the capitalist system cannot remove this discontent. Therefore, the vacillations of the middle



peasant can be expected to favour the toilers' struggle for liberation if the working-class makes no serious mistake by alienating this section.

127. In the specific situation obtainable in India, the middle peasant has an extraordinary importance. They are the most numerous section, if the land-holding poor peasant is included in the class. Alienation of the middle peasant can spell grave danger for the struggle of the working-class. Therefore, the working-class must particularly guard against sectarian extremism in this sector.

### **Rich Peasant**

128. The rich peasant, who has a sizable surplus from his land and is generally an employer of labour, has in recent years improved his position as a result of the Congress rule. Increased prices of agricultural commodities have generally enriched this section. It has also been the main beneficiary of the abolition of the intermediary rights in land. Many of the rich peasants are tied up with wholesalers and mill-owners, and moneylenders. The working-class can not expect this section of the peasantry to be an ally in its struggle.

129. The above analysis of the peasant forces gives only a generalised outline. India carries the burden of a postponed agrarian revolution, and the conditions in the countryside are extremely uneven. Many intricate problems are further complicated by surviving remnants of feudal customs and

conventions. The different strata of the peasantry often overlap and intermingle in actual life, and the peasantry sometimes behaves as a united force.

130. It would be extremely dangerous for the working-class to underestimate the role of the peasantry. The peasantry is not normally expected to produce its own leadership ; but given the right kind of leadership, the peasantry is capable of great heroic struggles. In India the peasantry has often shown its fighting capacity. And the peasantry made immense contributions to the success of the struggle for liberation in many countries of the world today.

131. The peasantry is the reserve force of the present system. The peasantry is the source of supply of new industrial labour ; and the peasantry provides the recruits for the army and the police. The ruling class and their Government must be isolated from this vast reserve force. In fact, the working-class in an underdeveloped country like India cannot liberate itself without revolutionising the main bulk of the peasantry.

### **Urban Middle Class**

132. The urban middle classes are also petty-bourgeois in character. But capitalism in decay is throwing the larger number of these people to the ranks of the working-class. The growth of trade union movements among the salaried employees, and the spread of socialist ideas have brought about



an anti-capitalist orientation among the greater number of these people. The rising cost of living is sharply affecting these people, and the traditions of anti-imperialist democratic struggles are still alive among them. On the other hand, the bourgeoisie and their government seek to keep the upper layers of the middle classes satisfied, and these upper layers are associated with most of the evils of the bourgeois order. The working-class, therefore, cannot count on the entire middle class as a reliable ally, but must seek to win over the bulk of this class through mass struggles and ideological campaigns.

133. A critical analysis of the role of the urban middle class must not overlook the fact that some of the finest fighters for liberation of the toiling masses have arisen from this class. Quite a considerable number of individuals from middle class origins have identified themselves with the working-class, and have given excellent service to the cause of the working-class. Such conscious volunteers from the educated intelligentsia constitute an essential force for the success of the working people's struggle.

### **Students**

134. In this connection the role of the students needs special attention. Students in India, as in other countries of anti-imperialist struggles, played an important role during the struggle for independence. Although the student movement is divided today, and a section of the students side with the ruling party and the ruling class, yet the bulk of the student population still actively participates in militant mass

demonstrations against imperialism, and in struggles for food, for civil rights, or for better education, etc. A considerable number of students is influenced by the ideology of the working-class, and can be expected to be reliable fighters in the toiling people's struggle for liberation.

135. This relation of class forces, however, must be viewed in the perspective of the world struggle for socialism. As imperialism and capitalism indulge in anti-people activities, as the world-wide struggle against imperialism gains in strength and the moral bankruptcy of capitalism becomes more and more self-evident, as the socialist camp earns greater and greater popularity by its deeds, larger and larger numbers of individuals from different classes are likely to come over to the side of the working class, and the working class is bound to be recognized by the vast majority of people as the real saviour of human society. Socialist ideas are bound to spread and take firm roots in even those intermediate sections of people between the bourgeoisie and the working-class. In spite of the bourgeois attempt to win over the upper strata of these intermediate sections, the final polarization of class forces is bound to gather overwhelming numerical strength around the working class.

136. The working-class must, in these circumstances, patiently and persistently work to win over the intermediate sections, never alienating them unnecessarily.



137. On the other hand, the working-class must never dilute down its own programme, or act as agent of the small bourgeois in order to secure an alliance, which in that case would be an alliance under the leadership of the petty-bourgeoisie, and therefore unsound. It is only by fighting for its own class-programme, basing on the firm alliance of the working-class and the poor peasantry, that the working class can gather forces around itself and lead the people to the objective of socialism.

138. In this context mass struggles on specific issues become extremely important. Such issues as rising prices, unemployment, civil rights, high indirect taxation, poor and deteriorating state of education and health, municipal grievances, imperialist interventions, etc. which can mobilize almost all sections of the people except the bourgeoisie should be taken up by the working-class with all seriousness and mass struggles on such issues be developed as an integral part of the task of the working-class. The working-class must be brought out of the narrow confines of trade union movement and led to assume its proper role as the leader of the other sections of toilers. The working-class must particularly evolve its own technique of supporting and aiding the struggles of the poorer sections of the peasantry. The success of the Indian struggle for liberation depends very largely on the ability of the Indian working class and its party to fulfil these tasks.

139. This analysis of the relation of the class forces shows that the only correct objective which can reorganize the Indian liberation movement today and inspire the people is the objective of socialism.