

# INDIAN BOURGEOISIE'S EXPANSIONIST TENDENCIES

Just as India took over from British imperialism all its policies in relation to the neighbouring small countries - including the borders which British imperialism had imposed in its hey-day of supremacy over the world - so also the Indian ruling class took over from the British imperialists, the concept of India as '*the centre of Asia*'. India has been the only country in Asia that has had a protectorate in Sikkim. The Nepalese have been openly expressing that India does not feel happy at the growing independent behaviour of Nepal and that the Indian ruling circles have used, and are using, every means to interfere in its internal and external affairs.

India, today, is trying to step into the vacuum, created by the withdrawal of direct colonial rule from various Afro-Asian countries, with its own economic expansionism.

Nehru in his "Discovery of India" had said long ago that "though not directly a pacific State, India will inevitably exercise an important influence there. India will also develop there as the centre of economic and political activity in the Indian Ocean area, in South-Eastern Asia and right upto the Middle East. Her position gives an economic and strategic importance in a part of the world which is going to develop rapidly." Nehru, as a representative of the Indian bourgeoisie but intelligent enough not to be so crude, had expressed the sentiments of the Indian bourgeoisie in the most cultured and diplomatic phraseology that India as an important big State will have the capacity and the right to intrude into other States - economically and politically.

Therefore, the Indian bourgeoisie had for long been focussing their covetous eyes on the underdeveloped Afro-Asian countries.

Taking advantage of the "understandable reluctance on the part of the new rulers of some of these (developing) countries to continue their association with organisations or agencies directly or indirectly connected with their erstwhile masters", "Indian entrepreneurs were only too glad to move in, particularly when the concerned governments welcomed them." (Nabagopal Das in

Statesman, December 7, 1971).

Thus the Indian bourgeoisie, taking advantage of the vacuum created in the post – Second World War period by the changed correlation of forces, were only too glad to move in - in other words, to step into their shoes.

Thus the recent phenomenon of joint industrial ventures abroad, especially in the Afro-Asian countries in which the Indian entrepreneurs are increasingly taking part, is nothing other than the Indians stepping into the shoes of the evacuating colonial powers. In a recent study, the Federation of Indian Chambers of Commerce and Industry has listed 125 industrial projects located in other countries in which the Indian bourgeoisie are collaborating, or proposing to collaborate, with the entrepreneurs or the governments of those countries.

Of the 125 projects sanctioned, 28 have already gone into production and as many as 60 are in various stages of implementation. Countries in which the Indian industrial collaborations have been initiated are many and widespread. In the continent of Africa, they include Ethiopia, Ghana, Kenya, Libya, Mauritius, Nigeria, Togo, Uganda, and Zambia. Asian countries which have Indian collaboration are Afghanistan, Ceylon, Indonesia, Malaysia, Philippines, Singapore, and Thailand. In Latin America, there is only one joint venture project which is in Columbia.

The fields in which such joint ventures have been undertaken in these countries by the Indian manufacturers include oil engines, hard-board, asbestos, cement, nylon bristles, textiles, and light engineering goods (Economic Times, December 28, 1971).

According to Nabagopal Das "the joint industrial ventures abroad in which Indian entrepreneurs are collaborating cover a wide field. They range from the manufacture of textiles (cotton, jute, synthetic fibres, and wool), hard-board, aluminium, sheet-rolling, chemical and pharmaceutical products, pipes, cycle tyres and tubes, and air-conditioners to the making of tractors, trucks, scooters, automobile components, diesel engines and other engineering products". Projects under active consideration include a cement manufacturing plant and a steel mill.

The list of industries, in which the entrepreneurs are collaborating, is extremely instructive. They range from cotton

and jute to tractors, trucks, scooters and chemicals and pharmaceuticals. We have seen previously how we are going into repetitive collaboration with foreign finance, even though such industries are already in existence in India, since the already acquired technology is not transferable even within our own country due to the existing patent rights or due to the restrictive clauses in the agreements with foreign collaborator. This only goes to show that Indian entrepreneurs are playing the role of a smoke-screen for foreign finance capital which use India as a jumping-off ground for penetration into those countries in Afro-Asia which have recently won their freedom. The entrepreneurs from India will be playing in these joint ventures a role subsidiary to foreign finance capital to share in the exploitation of these underdeveloped Afro-Asian countries.

Just as foreign private capital is looting our country through its investments by way of dividends, royalties, and various other ways, so also the Indian bourgeoisie is expecting to reap the benefit of its investments in the Afro-Asian countries not only by way of dividends etc., but by also creating a market for themselves in those countries. As the article in the Statesman clearly points out, *"the advantage to India of such joint industrial ventures are too patent to require emphasis. They provide a market for India's capital goods, machinery, spare parts, and other related items, needed for a project. They ensure a recurring export of raw materials and semi-processed goods. They help to create new export markets not merely for the relevant items of manufacture but for many allied products"*.

Already some of the 28 projects which have gone into production have remitted to India foreign exchange equivalent of Rs. 1 crore by way of dividends, royalties, and marginal fees.

### **Exciting Drama of Dangerous Consequences**

On December 22, 1971, there appeared a news item of dangerous consequences.

Economic Times of Bombay published the following report : *"Close on the heels of liberation, Indian industrialists are already looking for areas of joint venture with their counter parts in Bangla Desh ..... . An influential team of Indian industrialists, led by Mr. Naval H. Tata, is understood to have already visited Bangla Desh*

*for an on-the-spot assessment of the possibilities of industrialisation of the new nation. It was stated to be a seven-man representative team, comprising textile machinery, automobile, chemicals, consumer goods and construction industries interests".*

The democrats in the world, who have been following the exciting drama being enacted in East Bengal with the invasion by the Indian armed forces and with the blessings of the Soviet imperialists, are following the events with suspicion. The very first news of extremely dangerous consequences which appeared in the Indian Press as the Indian armed forces forced their way into East Bengal, clearly portrayed the evil designs of the Indian monopolies. It has surprised many that a seven-man top-level delegation, headed by Tata, the king of the Indian big business, should have gone to East Bengal on the heels of the Indian army itself even before the government-in-exile could reach Dacca. And the 'socialist' Indian government gave them all the facilities to investigate the possibilities of investment in the liberated East Bengal, even before a full-fledged government could be announced. The army, the I.A.S. administrative personnel, and the Indian industrialists: the picture is complete. To whom does East Bengal belong? To the people of East Bengal, or to the Tatas and the Indian monopolies?

This news item is no surprise to those of us who have been closely following the activities of the Indian monopolies in their schemes of economic expansions for the past few years.

On September 20, 1970, Economic Times published a news item that "a representative team of Indian hand tool manufacturers, sponsored jointly by U. S. Aid, the Indian Institute of Foreign Trade, the U. N. Development Programme, and the International Trade Centre, left on a world tour in search of markets and also to explore possibilities of joint collaboration with foreign companies".

But the most important item of the news is that "*There is a possibility that the German firm Gedore Tools, might in collaboration with their Indian partnerships set up a joint venture for tools and hand tools in third countries*".

What an ominous news this is! India which has already become a base for the exploitation of foreign capital is being used as a sea-board to direct foreign capital's flow into other dependent countries. Foreign capital, which has established itself in India in

collaboration with the subservient Indian bourgeoisie, has now ventured to establish collaboration industries in Afro-Asian countries, using Indian bourgeoisie as a screen. This news item, which speaks of a possibility of the German firm investing in third countries " in collaboration with their Indian partners" will have dangerous consequences for the Indian nation. On the heels of this news item, there appeared another news portraying the depth of this problem. The then union minister for steel and engineering, Mr. B. R. Bhagat, is reported by Economic Times, September 26, 1970, to have said that with the financial help of the developed countries more opportunities existed for developing countries to sell to each other **with the use of the credits presided by international aid**. He further envisages that "India, because of its population, could be an important supplier of labour and maintenance force. For construction of airports, maintenance engineering, and other jobs, equipment might be supplied by the developed countries but the supporting manpower resources are not. India might provide a package of labour and equipment as against only equipment".

What does this actually mean? It means that India will supply cheap labour for foreign capital which will take the route not directly from their own countries but via India to the Afro-Asian countries. "With the use of credits **presided** by international aid", the minister gleefully announces that "India will provide a package of labour and equipment as against only equipment", for the construction of airports and maintenance engineering and other jobs. What a pernicious plan this is !

But then India has no technical knowhow and design drawings even if it wants to provide equipment for joint industries in Afro-Asian countries. How is this gap to be filled? The problem is very simple to solve. Already there are quite a number of foreign firms functioning in India as '**Indian**' companies. The comprador bourgeoisie of India have successfully lent their name for some sort of **benami** holding. Therefore, there can be no trouble. Economic Times, in an editorial on September 26, 1962, writes that, "while feasibility studies, project reports, and even supervision of erection of plant, has been undertaken successfully by Indian consultants **their weakness continues to be manifest in the process knowhow and designs drawings** for the new types of industrial plants. Lately, there has been a tendency for foreign



consultants to open Indian subsidiaries under **some sort of benami share holding held** by Indian nationals. In actual fact, such units should also be treated as foreign consultants".

Is not the whole ugly face clear? Foreign finance presided by international aid will provide funds. Foreign consultants will open Indian subsidiaries with the help of their subservient Indian nationals holding a **benami** share. They will provide the process knowhow and design drawing. The collaborationist industries in India with foreign domination will provide equipment for which the foreign collaborator, in turn, will provide all the necessary raw materials and products. This will be exported from India as a joint venture to third countries as an India-made venture.

Certainly, the Indian comprador bourgeoisie will play the role of a puppet actor with strings held by foreign finance and foreign industrialists.

The following news item, again from Economic Times September, 23, 1970, will open the eyes of any decent Indian to the serious consequences of this dangerous game. Here is the story of an Indian consultancy firm playing the role of a screen for various foreign firms which are trying to establish themselves in third countries.

*Export of knowhow, which in turn would pave the way for large-scale exports of industrial machinery, has begun to pick-up in the wake of some incentives given by New Delhi.*

*(a) A team of engineers from Dastur and Company, Calcutta, was able to leave for **Damascus** on Monday to commence work on **Syria's first integrated steel plant**. The Syrian government recently engaged **Dastur Engineering International. GMBH, Dusseldorf** (Dastur & Co.'s subsidiary for overseas operations) to prepare, in the first instance a feasibility report on their new Rs. 75 crore steel plant.*

*(b) Dastur and Company is presently engaged on the planning of an alloy steel plant and ferro alloys plant in **Iran**. Another team of engineers left for further discussions with Iranian authorities.*

*(c) Jointly handled by Dastur International and*

*Dastur & Company, are a rolling mills project at **Bangkok, Thailand**. This is Thai-India Steel Company, a joint venture between Thai and Indian entrepreneurs.*

*(d) Dasturs are also working on a steel plant in **Greece, in collaboration with the German firm** of Baumco Apparatebau of Essen.*

*(e) For a textile mill in **Burma**, they are preparing designs and drawings **jointly with Babcock and Wilcox** of AG of Oberhausen.*

*(f) A team of Indian engineers from Dastur International is also currently working on civil and structural designs for the expansion of a coke-oven by-products plant at **Somisa, Argentina, for Dr Otto and Company** who have been awarded contract.*

*(g) Dastur and Company is also consultants on the expansion of the steel plant product for the Ceylon Steel Corporation.*

*Technical Consultants believe that India, in her endeavours to substantially step up her export performance would take full advantage of these possibilities of export of Indian expertise, which would in turn build a large potential for the export of Indian industrial plant and equipment.*

Such is the ugly face of this joint venture campaign initiated by the Government of India and enthusiastically being picked up by the international firms who have established collaboration companies in India in the name of the Indian companies. It is no wonder that quite a number of big shots of international finance are ready to establish joint-venture firms in third countries from India. A news item appearing recently reports that "the **Mitsubishi team** which visited India in April 1971 has suggested that not only should there be collaboration with the Indian entrepreneurs in the establishing industries in India but the collaboration should continue in West Asia and Africa in infrastructure projects, plant erection, and **laying** of pipelines".

A news item appearing recently in Times of India further reports from Frankfurt on October 14, 1971, that the Indian delegation to **West Germany** has "expressed satisfaction at the

fruitful exchanges" with their counterparts in West Germany, "especially on proposals for joint collaboration in their countries".

Hindu of February 15, 1970, announces that Sir Norman Kipping, adviser to the confederation of British industry, told pressmen that "as for joint ventures in third countries" he was satisfied about the project being established in Ceylon by Ashok Leyland.

The Indian comprador bourgeoisie are becoming expansionist, growing into the role of big brother of the Afro-Asian countries.

The Indian Institute of Foreign Trade announced that there is unlimited scope for launching, promoting, and expanding Indian joint ventures abroad. "India may soon be in the vanguard of the nations through a widespread international network of joint industrial ventures." The study further notes that public sector enterprises also have come forward to set up ventures abroad - such as Fertiliser Corporation, State Trading Corporation, Hindustan Machine Tools, and Hindustan Teleprinters, in Iran, Burma, Philippines, and Malaysia, respectively.

Thus both the private sector and the public sector are searching for fresh pastures. They see great advantage for India - meaning for Indian big business. They see immense advantages in promoting such joint ventures in various other countries. The Indian Institute of Foreign Trade, in its study, has enumerated the following advantages to the Indian big bourgeoisie in setting up industries abroad.

(1) The setting up of such a venture pre-supposes, supply of capital goods, machinery, spares, building materials, technical knowhow etc., constituting immediate export opportunity.

(2) It improves prospects of exports of components, spares, and raw materials, for a long time to come.

(3) It provides opportunities for gathering first-hand market information from foreign countries, and broadens the area of business contacts.

(4) Joint ventures abroad contribute to the utilisation of idle capacity in the capital goods industries in India.

When opportunities are so good and favourable for the

exploitation of backward African and Asian countries for maximum profits, how can the government sit quiet without doing its bit of service?

The Union minister of industrial development, Mr. Dinesh Singh, announced at the meeting of The Central Advisory Council of Industries on November 3, 1970, the proposal "to set up a special cell in the ministry to look after joint ventures abroad, to organise the collection and dissemination of information and identification of attractive projects, and would extend all help to potential entrepreneurs". These ventures, he said, should no more be looked upon as a means of export promotion, but as an instrument for stimulating industrial development at home.

In performing this duty of stimulating industrial development at home, various Indian industrialists have established or are establishing with patriotic fervour and in fulfilment of their national duty a series of industries in the various countries.

A delegation of the Indian Engineering Association, returning from the Philippines, estimated that the rate of return on capital employed is over 20 per cent and in some cases even 30 per cent. Kirloskers had already entered into an agreement for establishing manufacturing facility for diesel engines.

Thus India is on the march. Indian glory will now spread to all continents in the industrial field. How, will be seen in the few examples I am giving below.

(1) Economic Times of August, 7, 1970, reports that Mr Birla during his visit to America is expected to hold further discussions with Kaisers over the aluminium project to be established in Yugoslavia.

(2) Oberois have also planned to go abroad. It was reported in the Press that India has just made a beginning in a new line of export - hotel management and knowhow. The pioneers are the Oberois group of hotels. They took over Soaltee Hotel in Khatmandu in 1969. In January 1971, they will take over the management of the 600 - room Imperial Hotel at Singapore which is financed by the nationalised Indian Bank. They will run yet another foreign hotel under construction in Colombo. It would be well to remember that Oberois are running nine hotels in India, and in the hotel business are in collaboration with Sheraton of America.

What wonder that our greedy mouths are watering for the 'sweet' super-profits even as the subservient subsidiaries of foreign company.

When such is the glorious march of India to the pinnacles of profit through the exploitation of backward Afro-Asians, how can the Soviet Union be left behind on the sidelines? Is it not the duty of Soviet social imperialism to participate in this great adventure for super-profits, making India the base for expansion as other imperialist finance capital is doing? Soviet social imperialism has learnt that aid is a means of expanding trade and appropriating heavy profits. It is on its way to establishing its hegemony in South Asia. India is a good jumping-off ground. Therefore, in line with Western imperialism, Soviet social imperialism in its latest trade agreements with India has provided '*clauses for joint ventures in third countries*' (Economic Times, December 29, 1970). Thereby the Soviet Union has openly declared its role as imperialist big business, proclaiming its readiness to use India as a base for capturing economic heights in Afro-Asia and further fulfilling its role as a catalyst to still larger quantities of Western credits presided over by international aid.

One can now understand the significance of the march of the Indian army into East Bengal with the blessings of, and under the powerful support of, revisionist Russia. One can also very clearly understand the importance of the visit of the Indian industrialists under the leadership of the Tatas very close on the heels of the Indian army.