

# The Struggle For Indian Freedom: A New Program

## Part 1

*This month, the Janata government of India will complete its first six months of rule. Many political forces, from industrialists to pro-growth leftist spokesmen, who viewed the defeat of the Gandhi state of emergency government last March as a victory for economic and political progress, have been deeply disappointed by the glaring failures of the Janata mandate. Economically, the country is spiralling toward deep trouble—prices in all essential consumer goods are skyrocketing as landlords and hoarders have taken control of state governments. In what is perhaps the greatest failure of the government, the pledge by the Janata government to revoke the Maintenance of Internal Security Act (MISA), the ruling used to implement the repression and arrests of the emergency period, has been “forgotten”. It is the greatest irony that Indira Gandhi’s recent statement to Time Magazine in fact carries the most accurate assessment of the Janata rule: “I would not use the word dictatorship because it has been bandied too much. But if my rule was a dictatorship, than this is a dictatorship.”*

*This is the political setting in which the U.S. Labor Party’s Indian development program, Part I of which is reprinted below has been put forward. The program, which appeared in its first publication as “The Struggle for Indian Freedom—A Program” develops the issues a committed pro-growth government must answer directly. It portrays Indian history from the standpoint of the real contribution to progress made by India’s first Prime Minister Jawaharlal Nehru and presents the appropriate economic and political direction for his followers today, if they are to deal with the Janata misrule. The USLP program has been circulated through various political parties, to intellectuals to business groups which are willing and ready to pursue the battle for Indian development—This battle involves immediately reversing the government’s capitulation to World Bank demands that India’s state sector be opened up randomly to foreign companies, and that agriculture, the Achilles’ heel of the economy, be the central focus for labor-intensive low-growth programs.*

*Part II of the program will be published next week.*

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*"The United States and the Soviet Union seemed destined to play a vital part in the future. They differ from each other almost as much as any two advanced countries can differ, and even their faults lie in opposite directions. All the evils of a purely political democracy are evident in the U.S.A.; the evils of the lack of political democracy are present in the U.S.S.R. And yet they have much in common — a dynamic outlook and vast resources, a social fluidity, an absence of a medieval background, a faith in science and its applications, and widespread education an opportunities for the people. In America, in spite of vast differences in income, there are no fixed classes as in most countries, and there is a sense of equality. In Russia the outstanding event of the past twenty years has been the tremendous education and cultural achievements of the masses. Thus in both countries the essential basis for a progressive, democratic society is present, for no such society can be based on the rule of a small intellectual elite over an ignorant and apathetic people. Nor can such an elite long continue to dominate over an educationally and culturally advanced people."* — JAWAHARLAL NEHRU

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## I. INDIA'S TASKS IN THE PRESENT WORLD CRISIS

The present political crisis in India is occurring in an environment of political and economic breakdown crisis worldwide. Any competent attempt to chart a course out of the nation's present political crisis must be concerned from the outset with two interconnected practical problems: 1) What is the character and the impact on Indian developments, of the current international struggle and 2) what would be the impact on the unravelling international situation if India's national forces chose one or another path among those available at this time?

The diplomatic and political history of this nation cannot ignore the fact that at the present time, the central controversy of world politics is the so-called North-South relations. The relations between the United States and the Soviet Union are modulated, in each of their detailed aspects, by one ultimate consideration: Which Way the Third World?

This conflict has evolved roughly along the following lines since the election of Jimmy Carter to the Presidency of the United States: The U.S. government, with the imposition of Jimmy Carter in the Executive Branch, has fallen under the exclusive control of a monetarist faction composed of New York banking and associated Eurodollar market banking interests. The situation of Third World debt to these institutions, and that situation's impact on the viability of the New York-London dominated world monetary system is at this time the single, most urgent issue in the minds of America's dominant monetarist faction. These bankers know that under existing political circumstances, servicing this

debt is a virtual impossibility for 1977. They also know that default on as much as \$20 billion in 1977 debt service payment—or failure to honor as much as a \$200 billion component of the overall Third World debt—will immediately translate into a terminal collapse of the post-World War II Bretton Woods monetary system and global financial chaos will ensue. These forces are determined to avert this eventuality and they have so far expressed two alternate, complementary paths for doing so. The Soviet Union has also declared that it considers both of these monetarist options to be absolutely incompatible with its own national security interests. Hence, the world is marching toward thermonuclear confrontation.

The first monetarist option is imposition of austerity programs throughout the Third World, coupled with World Bank-induced import-curtailement and population-control programs, in order to enable Third World nations to finance their debt rollover. Given the misery already existing throughout the Third World, such economic measures are virtually impossible to carry out unless vicious fascist regimes are sponsored and installed around the globe below the Tropic of Cancer. Understandably, the Soviet Union has determined that it cannot allow itself to be encircled by hostile fascist regimes. In foreign policy and military policy the USSR is therefore fully committed to risking war in order to avoid the emergence of financier-sponsored fascism in the Third World. This is the reason behind the recent rise in international tensions.

The second monetarist option takes the world down the high-risk path deliberately provoked thermonuclear confrontation between the USA and the USSR—with the

monetarists built-in expectation that the USSR will back down as they did during the 1962 Cuba Missile Crisis. Such a backdown would be utilized by its political inspirators to terrorize every non-Warsaw Pact government into submission to their austerity and inflation programs. The high-risk option is in the Middle East and southern Africa. It has not been fully activated because the Soviet leadership has repeatedly indicated that they are on the verge of deploying thermonuclear war-winning capabilities, and that they possess the will to utilize them to the fullest.

Thus, the Indian nation is called upon to conduct a profound reordering of its national affairs at precisely the time at which the fate of the economies of the developing sector and the Non-Aligned nations has become the number one issue of World War or Peace.

Therefore, what is in order at this time, is a serious re-examination of the developing nations' various proposals, in recent years, for a new world economic order, a professional assessment of such proposals and the charting of a national course for India, the giant among the non-aligned. This course must correspond with the best interests of the people of this nation and with the demands of the exceptionally tense world situation. In the spirit of Pandit Nehru, India must once again be placed at the lead of the world's developing nations and, overcoming the limitations of the great Nehru (his softness and toleration of the anti-industrial, bestial bias of Mahatma Gandhi) launch an ambitious, far-reaching program for economic and cultural modernization

### The Question Of Debt

The problem with virtually all the versions of the "New World Economic Order" proposed by various nations in recent years has been their failure to identify monetarism and the burden of fictitious, monetarist debt as the core of all that is evil in the developing sector's economies. Since the contrived 1973 Oil Crisis, the only kind of credit that the developing sector receives from the world money and capital markets is so-called "rollover" credit, balance-of-payments loans and financial loans, i.e. paper credit, to exclusively to finance existing debt. There exists no credit for development projects, for industrial investments, or for the promotion of commodity production and commerce. The New York-London-controlled world monetary system is run by a bunch of coupon-clippers of the type that unleashed the East India Company upon this country. This is the reason for the increasing misery both in India and the rest of the developing sector.

We are not surprised by the inability of the NWEQ proposals to pinpoint this crucial monetarist problem. We are, however, compelled to demand at this historical juncture that we, the political leadership of the developing sector, grow out of the vestiges of our colonial childhood and master the science of organizing world production — including the science of so-called "high finance." The penalty for failure is too enormous to con-

template, even if thermonuclear war should not put an end to civilization. The time has come for the human race to get out of its childhood and put seven centuries of monetarist domination to final rest.

### Monetarism v. Humanism

Contrary to standard historical and economic science accounts, the crucial battles of world history in the last seven centuries were centered around political warfare, on the continent of Europe, between the monetarist-financier faction on the one hand and their humanist-neoplatonic opponents on the other. The rest of the world, after the collapse of the great Islamic Caliphates, fared well or ill depending on how the fortunes of each of these factions fared. That's how it was during the early phases of the Bardi, the Perrugi and other Papal bankers, their successor banking House of Fugger and the Hapsburg puppets, the Dutch monetarists and their Orange allies on the English throne, their successors of the House of Rothschild and the post-Versailles Treaty growing hegemony of the Rockefellers and their lesser allies in New York's all Street.

Whatever positive impulse was realized in European (and subsequent world) history during these centuries, was the result of temporary victories of the humanist-neoplatonic current against this succession of monetarist dynasties. The Tudor Renaissance in England was the culmination of a successful resistance against the Fuggers that was led by such Erasman humanists as Sir Thomas More and Thomas Gresham. The fruits of that struggle was the establishment, for the first time in history, of an *industrial capitalist national* economy whose deliberate state goal was directly the production of material wealth and the promotion of society's ability to increase the growth-rates of such wealth as a *pre-condition for the cultural progress and perfection of its individual citizens*.

A second celebrated world historical event, the American Revolution was the result of the political and scientific efforts of the humanist faction of the Illuminati led by the great neoplatonic scientist Benjamin Franklin. The longstanding political objective of Franklin's faction was to effect a political overthrow of Dutch-inspired, London-based monetarism promoted by the House of Hannover, then on the English Throne. The Franklin group's activities and deployments—best exemplified by Franklin himself and by Federalist Thomas Paine—prove that they were working to replace monetarism with the humanist neoplatonic principles of *industrial-capitalist* progress simultaneously in a number of countries, notably including England itself, the Low Countries, France and Germany.

The American humanists' efforts succeeded in launching the successful American Revolution, but did not succeed entirely on the European continent. Their American success provoked a series of counter-deployments by the government of William Pitt, including such

measures as the sabotage of the French Revolution. The strengthening of the hand of the East India Company was one of these measures, including the intense promotion of the zemindari system, the caste system and laws to prevent the emergence of a leadership that might follow the example of the American colonists. It is revealing that Lord Cornwallis, following his defeat at the hands of the American Revolutionary army, was sent next to India to serve as Governor-General.

Local Indian reaction was created by British monetarists in response to their defeat by the American Revolution!

It is this monetarist beast, born and matured in the political struggles of Europe as they were fought on European and American soil, that has promoted backwardness and misery in the lands of the so-called Third World. It is the monetarist beast that has systematically worked to root out of the people's of the developing sector the spirit of industry, material progress, and material and cultural achievement.

The American nation was successful in displaying its spirit of industrial genius, its driving Idea of Progress, only to the extent that it took pride in the achievement of its humanist, anti-monetarist Founding Fathers. To the extent that America has lost or forgotten these profound cultural roots, as has been increasingly the case since the Versailles Treaty and the establishment of Rockefeller-Wall Street world hegemony since World War II, the American people have been following the path of decline and self-destruction to the point that, today, they tolerate Jimmy Carter as U.S. President.

The Great October Revolution in Russia was the victory of humanism in this century which has prevented monetarism from achieving global hegemony. Lenin's revolution embodied the ideas of Karl Marx and scientific socialism, themselves the product of the humanist currents of Europe and of Benjamin Franklin's impact upon the German republicans. The Russian working class, under Bolshevik leadership, carried out the establishment of a modern industrial state against monetarism which the Russian bourgeoisie was unwilling to do.

As far as the non-aligned world is concerned, the Indian leadership of that movement may rightfully claim that the fundamental conflict in the world arena at this time is not between capitalism and socialism but between *monetarism* and its institutions such as the International Monetary Fund and the World Bank and *humanism* as represented by both socialist republics and the workers movements and industrial capitalist factions committed to the Idea of Progress. India's special role in the fight for humanist goals must be one of contributing toward the formulation of a sound world monetary and commercial system that will replace the deadly and moribund monetarist monstrosity of Wall Street, the International Monetary Fund, and the World Bank.

The first contribution India must make in this battle is to lead the developing countries, in concert with leading Third World nations, in a declaration of moratoria on the payment of all debt to the bankrupt monetarist institutions of the IMF-World Bank and their aid consortia. The

freezing of unpayable debts to the monetarists is not only morally imperative but is the strategic weapon we must wield to open the way to the establishment of a new monetary system.

As the 1975 programmatic document of the U.S. Labor Party, *The International Development Bank*, proposed, the central task of a New World Economic Order is to facilitate the greatest possible flow of technologies and industrial processes from the advanced sector—both capitalist and socialist—into the developing sector. Such a new system ought to be designed to meet two primary requirements:

1) to facilitate the transfer of economic values among three generally distinct portions of the world economy, the socialist sector, the capitalist sector and the developing sector each of which, for historical reasons, adheres to different social-political determinations of wealth. It is therefore necessary to return gold to its historical monetary-exchange role for the final settlement of balances in exchanges among nations.

2) Such a new system must also establish criteria for short and long term credit issuance which will eliminate the practice of monetarism and fictitious money-lending and will meet the credit demands for an unprecedented drive for world industrialization. It can be done. The nature of credit is ultimately political. Whether credit will be used to promote world industrial development or monetarist looting depends exclusively on the program and moral content of the political leaderships who control the policies of credit-issuing institutions. Short of more detailed elaboration, what can be stated with respect to credit-issuing policies of such a future institution as, say the International Development Bank, is the following:

The governing body of a bank of this sort, committed to playing the role of the central credit engine for a quarter-century world industrialization drive, must essentially represent the interests of the pro-industry and pro-progress governments and leading institutions of each of the three world sectors.

The mutually agreed upon universal criteria for credit issuing policies must be the commitment of recipient nations to total mobilization of national material and human resources for technological, scientific, industrial, and agricultural progress. The policies of any national government can be judged only by those criteria of absolute profitability of the national economy which result from the mobilization of its resources. (See Appendix) We, and any other nation, do not want charity, such as is bestowed upon the permanently immiserated. Rather than such degradation, we must demand of ourselves, a full effort toward self-sufficient development.

This is the context in which India's national revival must be forged if that national revival is to meet with success and give to the people of our nation a rightful sense of human importance, accomplishment, and indispensability in the community of nations. The key task of the leadership that India needs now is to mobilize and harness this nation's resources for that great goal.

## II. THE REAL HISTORY OF INDIA

The real history of modern India is the history of monetarism. The British East India Company which sub-

jugated India to its rule was merely the instrument of the great London banking houses of first the Barings and later the Rothschilds. These banking houses looked upon our nation as a source of loot and on our population as beasts of burden to be used for their ends. Company policy was to destroy India's industry in its infancy, to wipe out productive agriculture, to forcefully carry out the ruralization and impoverishment of the population, and to prevent at all costs the emergence of a national political leadership committed to the concepts of scientific humanism and progress. It was British monetarism which created the zemindari system, the parasitical structure of landlords, moneylenders, and tax collectors who looted the land and brought genocidal conditions of famine to the peasantry.

The destruction of the minds of the Indian people was the task of monetarism. At every point the British sought to reinforce and even create the most bestial forms of social backwardness embodied in the caste system, and to brutally control the Indian population by pitting one Indian against another.

For those of our intelligentsia who managed to pry themselves loose of casteism, the British monetarists deployed the counterinsurgent doctrine of Fabian socialism. Fabianism took two forms. On the one hand it was a doctrine which encouraged us to hold up our backwardness as an ideal in the struggle against British imperialism. On the other hand, Fabianism was used to cover with a veneer of progressivism an essential impotence—a vision of India as a land of cows and spinning wheels.

This is our history. The great struggle for independence will never really be won so long as our nation remains a backward subject of monetarist looting. The zemindaris and the maharajas are gone—but only to be replaced by the Birlas and their lesser brethren, the moneylenders, who prey upon the countryside. Pandit Nehru and those who fought the freedom struggle to put India on the path of modernization and industrial progress against monetarism, never succeeded in facing up to the task of rooting out the monetarist agents. Our Five Year Plans, while establishing the base of industry, never transcended their impotent Fabian outlook which proclaimed great goals but refused to dirty our nation's hands with the political struggle to gain them. The failure to carry out the destruction of monetarism and its agents and institutions in India was the basis for the downfall of the government of Indira Gandhi and will be the downfall of the present Janata regime which by its very nature as presently constituted can never carry out this task.

## The Principles Of Indian Political Economy

We must choose between two paths. One is the path of monetarism, backwardness, ruralism, and the Gandhian vision of an India in simple poverty. The other is that of progress, of industry, the path Nehru put India upon but did not secure. The war for progress can only be fought with a clear understanding of our strategic objectives, of the vision of what India must become by the end of this century and the principles of Indian political economy that must be defended without quarter to reach that goal.

## One. Modernize and Transform Agriculture

The present backward and unproductive state of Indian agriculture is a burden on our economy and a block to progress. In its place we must have a structure of modern production, with the introduction of scientific methods of farming, the use of new grains, fertilizers, and mechanization to advance yields and total production. The great Ganges plain, with massive construction of irrigation and water control systems, can become one of the greatest grain-producing regions of the world, ultimately acting as a center for export of grain and a lever for the transformation of the entire southern Asian region. The rural population, freed from the deadly grip of the landlord and the moneylender, can become an educated productive work force, provided with the material—housing, health care, electrification—and cultural living standard to enable it to become an industrial work force. Indian industry must be fully utilized to effect this transformation.

## Two. Advance Heavy Industry

The heavy industrial base of our economy — the steel industry and related machine tool and capital goods industries — must be fully utilized, upgraded, and vastly expanded as the foundation for the transformation of agriculture and the progressive urbanization and modernization of the nation. India can rightly become, as it already promises to be, one of the world's great industrial nations.

Along with our steel industry, we already possess a great resource, largely underutilized, in our vast pool of technically skilled and scientifically trained personnel, from engineers to nuclear physicists. Our scientists must be put to work in every corner of the country to expand production, introduce more advanced methods of production and scientific thinking to the population. The expansion of our scientific work force and their education in the most advanced scientific ideas available is a priority of the national development.

## Three. Expand Energy Production In All Areas

By the end of the century India will be producing energy at a rate equivalent to that of the most advanced economies today. Without this growth of net energy production there can be no growth and India will remain a backward area of the world economy. Without new sources of energy our agriculture will remain dung-based, and our industry tiny in proportion to our needs.

India's energy future lies in the production of nuclear energy, both fission (including advanced breeder and other technologies) and controlled thermonuclear fusion which will, by the 1990's, be the major new energy source for the world. A shift to fusion energy requires a massive expansion of existing plans for nuclear power plant construction, a high rate of investment in nuclear power and research and development efforts. Our scientific personnel in this field, in international cooperation with the Soviet Union and others advanced in this area, must be upgraded to the highest level of scientific competence

now available, preparing India to move in pace with the rest of the world into the fusion economy. All other forms of energy production must be maximized simultaneously, including development of domestic petroleum production, hydroelectric power, and thermal power, particularly coal. In the latter case new technologies of more efficient coal power generation—called MHD—now coming on line in the Soviet Union should be immediately put into place here.

These three principles are the minimum condition for progress. Support for them is the litmus test of Indian patriotism. All those who profess any other goal, who talk of agriculture over industry or 'native technologies' over advanced technology are traitors and agents of monetarism who must be driven out of our body politic and our economic and social life.

We will regard all those who work hard, who utilize to the fullest their intellectual and other powers of productive labor for this advance of the nation. The industrial entrepreneur who strives to expand production, who looks to accumulate profit in terms of providing a surplus for reinvestment in productive growth, will be rewarded. The industrial worker who strives to assimilate new skills and advance his education and cultural level so as to be of greater benefit to the growth of the nation, will be rewarded. The farmer who introduces

scientific methods of farming to increase production will be rewarded. The scientist and technical worker who contributes his fullest intellectual efforts to advancing new methods of production and to assimilation of those methods by the greater population, will be rewarded. The administrator and civil servant who work hard to facilitate this process will be rewarded. The political leader who mobilizes our population to these great tasks of progress and production will be followed and trusted for his leadership.

We will just as ruthlessly punish those who sit back to profit from the hard work of others, who contribute nothing and who in fact hold back the nation from its tasks at hand. The Birlas and their ilk who only loot from production, who steal from the advances made by others including industrialists, who bribe and blackmail their way into political power, will be pursued without mercy. The landlord, the moneylender, the corrupt administrators and civil servants who prey upon Indian life on all levels, will be sought out and destroyed.

The principle is that competence and productive labor will be rewarded. But we will declare war on parasitism, monetarism, and backwardness. On that basis—the basis of our three principles of political economy—we will mobilize Indian patriots to transform India as we transform the world.

*(To be continued)*