

# Soviet 'Aid' to India

According to a message from Moscow, dated October 13, 1967, about half of the 'aid' of one billion roubles (Rs 825 crore), which the Soviet Union promised in July last year to grant India for 1966-70, will be channelled into industry. At a Press conference in the Soviet capital, Mr Fakhruddin Ali Ahmed, India's Minister for Industry, declared that "the development of the Indian engineering industry was 'inseparable' from Soviet aid. He has worked with Soviet officials to arrange co-operation in the field of engineering and 'the signing of an appropriate agreement is expected later'."

It may be of interest to know that the loan the USSR has agreed to grant for 1966-70 far exceeds Soviet economic 'aid' to this country during ten years of Khrushchev's premiership. Another interesting thing is that Soviet 'aid' is increasing at a time when US 'aid' is declining. In its lust for world domination US imperialism has so overstretched itself that for the last few years it has been faced with a severe balance of payments crisis. This crisis, caused mainly by overseas military expenditures, foreign 'aid' programmes (90 per cent of which are tied to exports) and private capital investment in foreign countries, is forcing the US government to reduce its foreign commitments. It is chiefly through foreign military and economic 'aid' that the US imperialists maintain their neo-colonial regime in the underdeveloped countries of the world. But the mounting costs of their aggressive war in Vietnam and of the massive military build-up in Southeast Asia make it increasingly difficult for them to pour as much 'aid' in countries like India as is needed by reactionary regimes to survive. That is why imperialist 'aid' to these regimes is being supplemented on, an increasing scale by Soviet 'aid'.

Soviet 'aid' is usually hailed by reactionaries and revisionists of all hues as disinterested, generous and without strings. Is this praise really deserved? Is its nature really progressive — altogether different from that of imperialist 'aid'? If it is progressive, it would have helped India to break the shackles of foreign capital and enabled her economy to develop along independent lines. But facts prove the contrary. In 17 years from 1948 to 1965, foreign capital investments in the private sector in India increased from Rs 255 crore to about Rs 1000 crore and investments of private US capital from Rs 11 crore to Rs 250 crore (this includes the capital invested by the World Bank in the private sector). India's total debt to the US imperialists until the end of the last year amounted to about Rs 5500 crore. For meeting the huge balance of payments deficit, for keeping the wheels of her industry moving and for feeding quite a large section of the population, the reactionary rulers of India are chiefly dependent on the 'bounty' of the US imperialists. India's reactionary ruling classes would not have survived so long but for this vast 'aid' which has strengthened her neo-colonial fetters. As long as the Indian state is the state of the big landlords and the comprador bureaucratic bourgeoisie, the mainstay of imperialism in the country, the question of independent development can hardly arise.

Marxism teaches us that from whatever source 'aid' may be received, it goes to enrich and strengthen the ruling class at the expense of the toiling people. Even communists have been duped too long by the revisionist theory that Soviet 'aid' can help Indian economy to develop

along independent lines despite the imperialist stranglehold over it. Far from attacking this stranglehold, Soviet 'aid' has only strengthened it.

How can Soviet 'aid' be disinterested when the Soviet revisionists have seen to it that Soviet economy is based on the profit motive? If economic relations within the country are ruled by the principle of buying cheap and selling dear, can the economic relations with a foreign country be guided by a principle of an opposite character? It is absurd to think that Soviet 'aid' is Socialist aid when capitalism is being restored in the Soviet Union.

The Soviet 'aid' to India has only forged new shackles — of the neo-colonial kind — and is as 'disinterested' and 'unselfish', as the imperialist 'aid'. By using this weapon of 'aid', the Soviet revisionists have extended their influence over India's ruling classes as the junior partner of imperialism. Today the Soviet Union occupies the third place in India's foreign trade and is the chief supplier of military hardware. The Soviet 'aid', which India has so far received, has been invested in heavy industries controlled by Indian bureaucratic capital. The U.S.S.R. has been able to tighten her grip over some of the vital sectors of India's industry: she controls a fourth of the steel output, half of the oil refineries and a fifth of the electricity generated in India. She maintains a monopoly of the work of designs and supply of machinery and machine tools for the enterprises set up with her help. Let us take the example of the Bokaro Steel Plant now under construction. The Soviet rulers have refused to associate Indians with the work of designs and insist on having entire control over the steel works during the period of its construction.

Like the imperialists, the Soviet revisionists are forcing India to buy at high prices Soviet goods which are poor in quality. They also force India to spend the entire amount of 'aid' on purchases in the Soviet Union: that is, the entire 'aid' is tied to exports. It is also worth noting that the Soviet leaders exact prices for machines and machine-tools, which are 20 to 30 per cent higher than the prevailing international prices. That is why the *Economic Times* commented that though the rate of interest on Soviet loans appears to be a mere 2.50 per cent, the actual rate which is quite high lies concealed in the exorbitant prices of the goods supplied by the Soviet Union. She has plans of building industries in India in collaboration with Indian capital and of exporting their products to the markets in South-east Asia and Africa. These are only some of the ways in which the U.S.S.R. seeks to exploit the labour and resources of India and to control her economy together with the US imperialists.

The very pattern of trade between India and the Soviet Union is neo-colonial in character. The Soviet Union buys cheap from India primary or semi-processed products like jute, tea, wool, leather and tobacco and sells this country at high prices machines, machine-tools, tractors and other products of her industry.

India is a typical example that shows how by wielding the weapon of aid the Soviet revisionists seek to buy up the Indian reactionaries, collaborate with US imperialists to maintain reactionaries in power, do everything possible to prevent revolutionary developments and establish their domination over a foreign country jointly with the US imperialists.

It is the objective needs of capitalism, which the Soviet revisionists have restored in their country, that force them to collaborate with the US imperialists and build up their own neo-

colonial empire. That is why in the name of "International Socialist Division of Labour", they have tried to stifle the economic development of the other socialist countries. To quote from *Progressive Labour* of February-March, 1967, "'Under the International Division of Labour' the Soviet Union's allies supply food, raw materials and capital to the Soviet Union and in turn, the Soviet Union forces manufactured items on her allies." "In the final analysis," remarked the *Times Review of Industry* (February, 1964), "the COMECON members cannot maintain their development without help from the U.S.S.R., and any possible aspirations to greater political independence on the part of the East European countries must be governed by this knowledge." The Soviet Union is building up a sphere of economic and political domination and, to quote again from the same issue of *Progressive Labour*, "Like any other nation which is developing an economy based on private profit, the Soviet Union needs areas to exploit."

That is why the Soviet revisionist clique is feverishly trying to prop up every reactionary regime on earth with economic and military 'aid', to help the US imperialists to "contain" socialist China and to do everything conceivable to put out the flame of national liberation war. That is why "The US", as *The Broadsheet* of October 1966 said, "is no longer afraid of the Soviet Union's influence in India, and indeed counts on its help."

Because of the immense prestige that the Soviet Union still enjoys among exploited peoples, its revisionist rulers are as deadly enemies as the U.S. imperialists. Soviet "aid" is indeed a Trojan horse used by U.S. imperialism to ensure their joint domination over India and countries like India.

[Published from *Liberation*, Vol. I, No.1 (November 1967).]

[From: <http://web.archive.org/web/20050503100932/http://cpiml.s4u.org/liberation/archive/older/nov67.htm> ]