CHAPTER 4

4. CLASS STRATEGY FOR HEGEMONY

4.1. Political aspirations of the Indian bourgeoisie

Modern capitalist society presents itself, at the level of the appearances, as duplicated into a civil society and a political society (the state). This appearance, however, is not a deceptive or illusory appearance, but is as much real as the structure of the social production relations on which it is based, and which it expresses at the surface level of reality.

The duplication of society into civil and political, and the alienation of the latter into an autonomous and separate form of organisation, apparently neutral to the class differences in the society, is the characteristic of every capitalist society.

In fact, the very process of formation of the civil society itself

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1. Bourgeois state is based on the emergence of property as private property, and has existence in the form of "a particular (separate) entity, alongside and outside civil society". (Marx and Engels, "German Ideology"; MECW, Vol.5, pp.90, 31-32.) See also Marx, "Contribution to the Critique of Hegel's Philosophy of Law", MECW, Vol.3, esp.pp.8-9.

2. In contrast to vulgar political economy which restricted itself to the surface level of social reality, and classical political economy which reduced the surface reality to its deep structure in a one-sidedly abstract-analytical way, Marx's dialectical method represents a synthesis of both the deep structure and the surface level. Borrowing the method from Hegel, Marx argued: it is not enough to reduce the appearance (surface) to its essence (the deep structure) in an analytical way. One must at the same time explain through synthesis why the essence took the form of this appearance. In other words, the appearance is a necessary form taken by essence. "Essence must appear". Thus the appearance of the separation of civil and political in bourgeois society is an appearance in this sense — an appearance as the necessary form of manifestation of production relations in the bourgeois society. See Hegel, Logic pp.186 ff.; Marx, Capital. Vol.I, p.85 (also 76-87): f.n.contd...
is the process of the formation of the state.  

However, the process of formation and development of a bourgeois state organically out of the womb of the society, must not be seen in isolation from the relations with the other states.  

In this sense, the process of development of the colonial-capitalist state in India has to be seen not as an organic outgrowth from the development of society, but as an external superimposition by an alien state. That, however, 

2 contd. 


3. Historically it does not so happen that first a bourgeois society develops and then there arises a bourgeois state upon it as a superstructure. Rather the very development of bourgeois civil society historically came about only through the gradual separation of the civil and political -- the gradual duplication of society into two autonomous spheres. This is as much true as the development of the money form. It does not so happen that first commodities develop, and only then one commodity out of the world of commodities as the money-commodity. Rather the very development of the commodity form implies the gradual isolation of one commodity as the universal equivalent, as the money commodity. See Marx, Capital Vol.I, Part I, Marx Grundrisse, Introduction. 

4. The base-superstructure model of the relationship between state and society has often led to the neglect of the relationship between different states in the formation of the bourgeois state. While Hegel dealt with it systematically, Marx's critique of Hegel's philosophy of law (or rather the extant portion of it) is limited only to the internal constitution of the state ("state in relation to itself"). The famous Preface of 1857 has also misled many subsequent 'Marxists'. See Hegel's Philosophy of Right, Third part (iii); Marx, "Contribution to the critique of Hegel's Philosophy of law", MECW, Vol.3, Marx, Contribution to the critique of Political Economy, Preface.
only explains the origin of the modern capitalist character of the state in India and does not change the fact that the very development of society, even under the colonial conditions, would make the state and society interdependent upon one another as two forms of appearance of the developing capitalist society. This of course, would take a long period of historical development, leading to the formation of civil society, of classes and their crystallisation as conscious historical agencies. The process of formation of the classes of the modern capitalist society (the bourgeoisie, the working class, the various 'new' middle classes) in India took place under the active intervention of the state.5

The classes, once organised into conscious historical agencies, in their turn, seek to influence the state activity in their own interests. Every activity which the members of a social class undertake historically, as a class, thus has a political character, insofar as they seek to influence the political society (the state) to intervene in their favour.6 Although as members of the civil society, as individuals as such, their activities are not necessarily political, as classes, their activity is political activity. Thus, the class which is dominant in the society, in terms of its position and function in the social production process as a whole, is also the class which exercises maximum political weight in the state. The Indian capitalist class, rising in strength with the rise in their control over social production, sought to change the nature of

5. See section 2.2.
the state activity in their favour through their organised class activity, i.e., through class-political activity. On the other hand, it is the specific historical conditions in which the class came to be formed and organised that would determine its class demands and political aspirations.

The Indian bourgeoisie had its political education in the school of colonialism and national movement, under the fading shadows of the British Empire. Colonialism by its objective nature was forced to establish the colonial state as a capitalist state. In order to defend and protect a particular capital, the state was forced at the same time to create the laws and principles defending capital in general. Nevertheless being the representative of a particular national capital, it was opposed to the other national capitals. The objective contradictions of the colonial state came to be increasingly manifested soon after the First World War. But it would require a long period of struggle before the contradiction would be resolved. Thus already from the beginning itself the state served the interests of Indian capital, though only in a general sense. The tasks of the Indian capitalist class was, therefore, limited from the very beginning — the constitutional transformation of the colonial capitalist state into a capitalist nation-state.

7. See section 2.1.
8. See note 5 to Section 2.2.
Given the fact that the very establishment of colonialism and the generalized commodity circulation had destroyed the fabrics of the old modes of production, the bourgeois revolution in India was in a sense already accomplished (more strictly speaking the series of bourgeois revolutions in India had begun) by the British colonialism. Having no enemy in the old modes of production, the Indian bourgeoisie had never to look back. But that put a limit to its revolutionary character. It looked forward only to concentrating on establishing its class rule against an alien class of its own mode of production, more over against a form of capital antiquated by the very development of world capitalism and by the emergence of corporate capital as the dominant form of world capital. The role played by the state historically in the advanced capitalist countries would obviously stand out as a reference for comparison and criticism of the colonial state policy in India. In a sense, the tone for the criticism of the colonial state was already provided by the national movement itself. Besides providing the general conditions of capitalist production, the state must protect

9. See section 2.1.
10. See Bipan Chandra, *The Rise and Growth of Economic Nationalism in India*.
11. Insofar as the state defends private ownership of social means of production and guarantees the laws of equality in the sphere of circulation and laws of inequality (of exploitation) in the sphere of production, the state provides the general conditions for the operation of capitalist mode of production, i.e., operates as a "precondition" or "presupposition" — a "presupposition" which itself is "posed" by the laws of motion of capital. See chapter 1 above.
and defend the interests of the national capital in the world market. And especially under conditions of an already capitalist world market, a weak, nascent capitalist class must be given active state protection.

By destroying the old modes of production, by burning the artisans and expropriating the peasants of their means of production, the colonial state had already created a part of the conditions of capitalist production. Capital, accumulated in the form of merchant's capital and usury capital, stood at the opposite pole confronting the expropriated labourers. The expansion of the public works programmes had already transformed a section of the free labourers into wage-labourers.

12. The function of defending private property from external threat as well as internal threat is already included in the concept of state. This protection may be in the nature of protection of material resources or in the nature of terms of trade in the world market.

13. The basic precondition of capitalist production is that there should appear in the market free wage labourer on the one side and capital ready to buy the labour power of the labourer for production on the other. But this is only a precondition. Other conditions are necessary before capitalist production on a social scale can commence. See Marx, Capital, Vol.I Chapter 6; Marx, Capital Vol.II, Chapters 20 and 36.


15. See Consus reports, District Gazetters, Settlement Reports, General Administration Reports etc. (around the turn of the century). See also note 62 to Section 2.1.
Expansion of railways (despite the limitations arising out of its structure) and the introduction of modern means of communication had created a united national market not only for commodities in general but also for labour power as a commodity. Thus the general (necessary, though not sufficient) conditions of capitalist mode of production (both in agriculture and industry) had already been created in India by the end of the 19th century.

But in the context of the world market, with the laissez faire policy of the colonial state undermining the competitive position of the Indian capital, the latter found so many fetters in its expansion and development. Thus the inter-war period presented a clear political perspective for the Indian bourgeoisie:

(a) The most important slogan of the national movement and of the Indian capitalist class had been tariff protection on the face of competition with foreign capital in the arena of the world market.

(b) secondly, for prevention of rupee out of the

16. See notes 57 and 59 to section 2.1
17. See Gadgil op. cit, prefaces and introductory.
18. Ibid, Rungta, R.S. op.cit. Conclusion; Buchanan, op.cit. conclusion.
19. Protection is one of the basic means for primitive accumulation of capital. (Marx, Capital, Vol. I, Part VIII). In the absence of it under conditions of free-trade policy of the colonial government, it was almost impossible for Indian capital to grow and expand. Thus the demand was the basic pillar of the rising bourgeoisie as well as the national movement. See Bipan Chandra, op.cit; Bagchi, A, op.cit. Conclusion; Ray, Rajat K., op.cit. Introduction and Chapter 1.

In the exchanges among the top leaders of the bourgeoisie, this demand for protection formed a frequent issue for mobilization of opinion to influence the government.
country and for a favourable balance of trade, a relatively low-rupee-sterling ratio was absolutely necessary from the standpoint of Indian capital.\(^\text{20}\) (c) Thirdly, the state itself provided a market — from the standpoints of individual capitals — especially in times of war, and it was natural for the Indian capital to demand that they must have access to this market.\(^\text{21}\) (d) Fourthly, besides the immediate state needs for war, industries producing war connected goods needed active encouragement and aid from the state, both on their own rights as native industries and as instruments for strengthening the state apparatus in relation to alien states, for protecting the industries for which the state stood.\(^\text{22}\) (e) Fifthly, apart from

\(^{20}\) Whereas most of the British investments in India industries (esp. around Calcutta) were from the savings of the rupees earned in India, during and after the First World War, this investment tended to decline sharply. This was due to the uncertainties about the future of British rule created both due to the War and also due to the rising organisational strength of the national movement and the native bourgeoisie. The process was further facilitated by the attraction of a higher convertible sterling-rupee ratio back to England. See Kidron, M, op.cit, Chapter 2.

\(^{21}\) Besides the home market over which the bourgeoisie wanted to have the sole control, the state itself formed a portion of the market in terms of the purchase of its stores. The colonial government continued to purchase bulk of its stores from the foreign markets. During the First World War, when the state needs rose very high, this provides a significant entry point for the Indian bourgeoisie to move in. See section 2.3.

\(^{22}\) See Birla, India's War Prosperity.
the construction of railways etc., the common costs of the entire class (especially a now and weak capitalist class) had to be borne by the state out of the public revenue. 23 (f) sixthly, while representing the interests of the national capitalist class in relation to all other particular national classes in the world market, it must at the same time represent politically the various sections and individual capitals competing internally as a united whole, drawing out their common long-term interest (and in that sense, the interest of the dominant form of capital, the corporate capital) on the face of internal competition and split. 24 (g) Finally, as the alienated political will of social capital, it must represent the native capitalist class as the ruling class of the society, over all other classes, and as such provide the necessary legal and ideological form and the ultimate coercive mechanism for the maintenance of the capitalist class rule over the society. 25 Although the colonial state had achieved, however inadequately, some of these functions, it needed to do so as nation-state. 26 The political aspirations of the Indian capitalist class, therefore, consisted in integrating together with the mainstream of the existing state structure (the aspects

23. Marx, Grundrisse, pp.531 ff.
24. State as the ideal total capitalist Engels, Anti-Dühring, p.382
25. Tuschling, B, op.cit.
26. A bourgeois nation-state as different from a colonial capitalist state.
pertaining to the general interests of capital as such) with the mainstream of the national movement (the aspects giving expression to its class interests as a particular nation) — in other words, fighting against and weeding out gradually the particular colonial elements opposed to its own particular interests on the one hand, and the extremest elements of the nationalist movement which sought to go beyond (though notionally) the capitalist framework, on the other. The whole strategy of the class, therefore, would be aimed at achieving those class ideals and aspirations.

The national movement, starting from its modest aspirations of seeking to fulfill the narrow demands of its middle class base (created by colonialism itself), had, gradually and by the second decade of this century, taken upon itself the task of achieving complete freedom from the British rule. Swaraj, the independence of the nationhood, the ideology of the middle class, formed on the surface of the society the expression of the interests of the rising national bourgeoisie to organize itself in the form of the state. Freedom from foreign rule actually

27. Here the term "middle class" is used in the sense of the "new" middle class — the professions, developing along with the development of modern bourgeois society, like lawyers, teachers etc., the intelligentsia, and those seeking employment in the state system as well as private management. This is to be distinguished from the category "petty bourgeoisie" which is referred to here as representing the traditional independent occupations like the artisans, the petty peasant producers etc. — a class systematically and gradually ruined under the impact of the capitalist production on a world scale. Thus "middle class" here does not mean "bourgeoisie", as it used to mean during the classical bourgeois revolutions of 17th, 18th and 19th centuries. See notes 7 and 9 to Section 2.2.

28. See Phillips (ed) op. cit, I·B (b) and (c), II A(a).

29. Ibid I B(b) and (c).
meant the freedom of the Indian capital from foreign competition over the home market, the establishment of its own exclusive hegemony over the determination of the state policy, and the official recognition of its own long term class interests as the principles for the salvation of the entire society. The long term interests of the class lay in demanding rapid industrialization through active state aid, which could at the same time be the means for the upliftment of the masses from the utter poverty they had been reduced to under the impact of the British rule, and thus serve as the common political aspiration of the society as a whole. The political form of the state that would best suit the purpose had to be accepted as a means to an end, independent of the individual judgments of the nature of such a form. The means must be such as to be in tune with time, i.e., with practical requirements of the class under the changed conditions of the world economy. It must also achieve the end with maximum rationality, giving as little concessions as possible to other classes, yet maintaining a form of appearance of serving the interests of all.

30. See note 19 above.
31. Ibid; the bourgeoisie's strive for recognition and respect in the matters of influencing state policy can be best illustrated in the debate on the post-war reconstruction (see later in the thesis, esp. Chapter 5).
32. See Chapter 5.
33. It was Keynes who exerted tremendous influence among the thought banks of the Indian bourgeoisie. The debate on planning clearly reflected the bourgeoisie's criticism of the colonial state, from the standpoint of a Keynesian view of the tasks of the government (see chapter 5).
34. The essence of hegemony, as has already been mentioned, consists in the fact that this recognition on the part of the masses of the bourgeoisie interest as their own social interest, has an objective historical basis, and is not a matter of subjective delusion or false consciousness. See note 2 above, also Introduction.
The relation between the economic class interests of the Indian bourgeoisie and the political ideals of the national movement was concretely shaped by the strategy adopted by the leaders of the class both as utterances in the form of programmes, policy resolutions, speeches etc. and as actual practice of its leading spokesmen.

Both Purshotamdas Thakurdas and G. D. Birla, the leading men of the Indian corporate capital, determined the shape of the class demands and the attempt of the class to establish its long-term interests as the political goal of the national movement — though in different ways. But the national movement, expressing in abstract general terms the objective interests of the Indian capitalist class, had already become a historical force before the class (whose interests it abstractly represented) organised itself as a conscious class. By identifying the class with the already existing national movement, and trying to interpret and give concrete meanings to the ideals of the national movement in the interest of the class, both Birla and Thakurdas took a leading part in establishing the credentials of the class. What they brought out and gave shape to, were in fact the ideals and aspirations of the entire Indian capitalist class, striving to form itself into a nation and achieve control over the lever of political power through the establishment of its class hegemony.

The national movement, no doubt, passed through various phases of development. But self-rule and freedom of the nationhood remained the basic ideals of the movement. As
the ideology of the growing new middle class, a class produced by the expansion of capitalist production and of the capitalist state apparatus, and whose interests lay in the further growth of the state apparatus and in the expansion of capitalist production as the basis of its own absorption into the state and managerial services (and related professions) — the establishment of swaraj as the basis of native capitalist development continued to remain the ideal of the national movement. The old middle class, or petty bourgeoisie, the producers of the old modes of production destroyed by the onset of capitalism, insofar as it stood behind the national movement, did so because it identified the evils of capitalism with the British rule, and saw in the growth of native industry a basis of the revival of its own petty production.

35. See note 27 above and also notes 7 and 9 to section 2.2.
36. Ibid.
37. This delusion is one of the bases for the fact that bourgeois ideology inevitably takes the form of petty bourgeois ideology. (See Marx, "Results of the Immediate Process of Production", Capital, I (Penguin Edition). Also Marx and Engels, Manifesto of the Communist Party.)
Given an over-determined state and an already developed national movement, the rising Indian capitalist class was bound to relate to it as a given historical force, nevertheless, as a force which should be channellized in its own favour, i.e., for the establishment of its own hegemony over the state. Despite the fact that the Indian bourgeoisie comprised of different short-term outlooks, the long-term class interest remained the same -- the establishment of an independent capitalist nation-state with the hegemony of corporate capital. And the leading men of Indian business struggled hard to project their class aspirations in the language of the nationalist ideals. Purshotamdas Thakurdas summarized the ideals of the Indian capitalist class as being identical with the ideals of the national movement. The national movement was only the political expression of the economic class interests of the Indian bourgeoisie:

"Indian Commerce and Industry are intimately associated with and are, indeed, an integral part of the National movement, growing with its growth and strengthening with its strength. Much misunderstanding is due to this importance not being sufficiently recognised. The ideal of the national movement in the political sphere, namely to make the Indian nation united, prosperous and progressive, is also the ideal of Indian Commerce and Industry in the economic sphere. Many of our European friends and even some Indians do not realise that, deprived of its inspiration in Indian nationalism Indian Commerce and Industry might be reduced to mere exploitation. ... At the same time peace and order, security of person and property are in India as elsewhere the first requirements of commercial and industrial well beginning." 38

The above classic formulation on the part of one of the finest leaders of the Indian bourgeoisie is a clear reflection of the level of class consciousness reached by it. Thakurdas understood -- though from the historic point of view of his own class -- that as a class the activity of the bourgeoisie had a deep political dimension. That is, the long-term interests of the class (the "ideal of Indian Commerce and Industry in the economic sphere") had an essentially political character, and got its concentrated expression in the form of the ideology of the national movement (the "ideal of the national movement in the political sphere").

Quite clearly, the aim of the national movement was seen by the Indian capitalists as the establishment of a nation-state as opposed to a colonial state; but at the same time, it would preserve the capitalist element in the state intact. The political aspirations of the national movement, as far as the bourgeoisie was concerned, was nothing other than its own long term class interests. Thus only by consciously identifying itself as the leading element of the movement could the class present itself as a conscious political class. Only as a class they could appear as leading the society. Only by identifying themselves with the national movement, could they seek to use the muscle of the society for the achievement of their own class goals. 39. Avoid of their political involvement as a class, they were bound to appear as individual capitalists interested in mere profit-making through exploitation.

39. Stanley Reed, the former editor of Times of India, sought the concern with what impact their actions create in the public consciousness in the form of ideology.
to put it in the mouth of Purshotamdas Thakurdas, it was
the dominant economic interests that could determine the
politics of the country:

"One often hears it said that economics should be
totally dissociated from politics. That is impossible,
even if it be admitted for the sake of argument that
it is desirable. Every year sees the power of organised
industry exercised more strongly on governments, either
in the form of social legislation, trade control, or
tariffs to protect existing and encourage nascent
industries. We can no more separate our politics from
our economics than make the sun and the moon stand still.
On the contrary, we ardently desire to see the two
more closely associated, and the power of government
steadily directed to raising the economic standard of
our people and so build up a more prosperous and
happier India."40

If it was the colonial-capitalist state, which already yielded
to the demands of the organised industry, it was all the more
important that an independent nation-state, brought about by
the national movement, could be made to operate more easily
along the lines dictated by the long-term needs of the organised
class. In other words, the Indian bourgeoisie could establish
hegemony over the state policy only by taking a leading part
in the process of transformation of the existing state into a
nation-state. The aspirations of the Indian capitalist class
consisted in bringing about a change in the form of the
state -- from colonial form to national form -- without
altering its capitalist nature.

40. Stanley Reed to P. Thakurdas, 14 December 1928 (P.T. Papers,
File 78) commenting on the latter's draft speech (note 38).
However, the very process of development of the modern state under conditions of widespread middle class movement introduces a further form-termination. And if the bourgeoisie had to establish itself as the ruling class it had to do so by establishing its ideological hegemony over the entire movement and its formal goals. If the formal goal, the ideal of the national movement of the middle class, was to establish democracy, i.e., bourgeois democracy, this form-determination had to be adopted by the capitalist class as a necessary form of appearance of its class rule, if it had to establish its ideological hegemony over the society. Bourgeois democracy, i.e., the participation of the masses in the formation of the government, however, could function only within a framework of national capitalist development. This is a necessary evil which the capitalist class has to concede under certain conditions for its own long-term interests, at least in form if not in content.

If the capitalist class accepts the form, it does so under the pressure of the mass movements, which it would seek to contain, domesticate and neutralise under the high-

41. Bourgeois democracy, i.e., the appearance of mass participation through competing political groups in the formation of the state executive, is essentially middle class in character, i.e., it conforms to the necessary illusions created by competition on the surface level of society. (See Marx, "Illusions created by competition", Capital, Vol. III, Chap. 50) Also, Marx and Engels, Manifesto of the Communist Party, Marx, Class Struggle in France, see note 42 below.
sounding ideals of the middle classes that serve as a form of appearance for the capitalist class rule — a form of appearance developed according to the degree of development of society and the historical conditions and tendencies prevalent in specific countries and in specific periods of time. The acceptance of the middle class democracy as the form of the government on the part of the rising capitalist class of India was shaped by its class experience. The very conditions of struggle against an alien capitalist state had already forced upon it the programme of winning elective representation in the legislative process though in a limited and gradual way. Under the given conditions of its own struggle for emancipation, democracy was the only "practical proposition". As G D Birla put it:

"I myself don't like either democracy or the western method of Government, but my difficulty is that I don't find any better alternative. So whatever may be the academical view the fact remains that we must prepare ourselves for the western kind of democracy and fight for it. There is no way out of it." 43

42. Bourgeois democracy is only a historical form of appearance of the state under certain conditions of development of capitalist mode of production. "Appearance", because it is like the Kantian ideal which is always to be striven for, but which cannot be attained in reality. (See Marx, "Contribution to the critique of Hegel's Philosophy of Law," MECCW, Vol.3). As the political form of appearance of competition among equal "individual wills", it corresponds to and is based on the phase of the so-called laissez-faire epoch, or free-competition capitalism. With increasing monopolization on a world scale, this form succumbs only to rise to other historical forms, (see Rosenberg, A, Demokratie und Sozialismus, Part-II)

43. G.D.Birla's comment on the Liberal brochure arguing for a constitutional monarchy. G.D.Birla to P.Thakurdas, 11th July 1932, P.T. Papers, File 42, pt.VI.
4.2. Representation and Articulation of Class Interests

The ideals of the national movement expressed in abstract terms the attainment of political democracy as the realization of the interests of the masses. But in concrete terms, political democracy had to express the class rule of the Indian bourgeoisie. But if political democracy represents the participation of the masses in the process of legislation, how was the bourgeoisie going to translate its own interests into laws? Partly, it is the objective requirements of the modern state that force it to adopt laws and policies in the interests of capital. 1 Partly, the ideological hegemony of capital over the whole of the society also makes the capitalist interests appear to represent the interests of the society as a whole. In other words, it makes the masses participating in the democratic process to support the laws and policies expressing the interests of the capitalist class. On the other hand, the ideological hegemony is not a mere subjective delusion on the part of the masses, but has a real objective basis. That is, the hegemonic bourgeois interests, at a certain historical period, do actually represent the interests of the entire society. In fact the recognition of this objective necessity in consciousness is what constitutes ideology. But it requires a professionally organised political

1. The "positive" laws and policies of the state in the interests of capital derive their contents both from the fact that the state itself is an embodiment and personification of the laws of motion of the capitalist mode of production, and also that it itself is a particular agency whose existence is determined by and ultimately dependent upon the smooth operation of the capitalist system of production and to whose concrete problems it must respond. (See Introduction: and section 2.1.)
party as the mediating factor, (a) to mobilize mass support in favour of the bourgeois interests by presenting these interests in a form acceptable to the masses as their own interests, i.e., to present the bourgeois interests as the socially hegemonic interests; (b) to translate these socially hegemonic interests into the form of concrete legislatable demands; and (c) finally, on the basis of the mobilized mass support, to stamp these demands in the body of the state as laws and policies. The necessity of a party to represent the class is derived from the duplication of the society into civil and political, i.e., from the fact that, in capitalist society, the class rule must appear not as a personal rule of the members of the class, but as a depersonalized rule of capital.

However, it needs the understanding on the part of the members of the capitalist class itself -- that in order to establish its rule politically, it must express its interests through the mediation of a political party whose members by and large

2. Here it is by no means meant that the state is a passive receptacle on which is stamped the programme of the hegemonic interest. There is the level of state-consciousness which mediates between the hegemonic interest and the laws and policies. But the limitation of the so-called autonomy of the state lies in the fact that its responses to social events are constrained by virtue of it itself being a particular agency, only personifying the universal form. Thus ultimately, the hegemonic interests do get stamped into the body of the state laws. (See Introduction, Sec 2.1.)

3. Pashukanis makes this point the point of departure of his analysis of the general theory of law: "Why does the dominance of a class not continue to be that which it is -- that is, to say, the subordination in fact of one part of the population to another part? Why does it take the form of official state domination?" (Pashukanis, General Theory of Law and Marxism, p. 185).
must belong sociologically to outside of the class itself before the class hegemony could get its political expression. In India, the emergence of political democracy went through a long process, giving expression to the various tensions within the middle class political parties and groups, within the rising, organised Indian capitalist class, and in the relationship between the class and the parties. It expressed the differences within the class as to how its interests should be politically represented in the state. Over a period of time, however, there would emerge a united common method of representation and articulation of the class interests through the party of the national movement par excellence, the Congress.

From its inception in the late 19th century till Independence, Congress represented the mainstream of the national movement. Starting from a party of the middle class nationalist intelligentsia expressing in ideal terms the requirements of Indian capitalist development, Congress over years became a full-fledged mass party, uniting different shades of middle class ideology and mobilizing the masses on an aggressive programme for the establishment of an independent nation-state. 4 Regardless of the subjective intentions, the consciousness and the ideals of the Congress leadership of the most extreme types --- which

4. The successive Congresses gave expression to the gradual change in the tone of the demand, especially after 1905. See Philips (ed) op.cit, I B (b) and (c), and II A (a).
in fact served as the bases for mobilisation of different sections of society — Congress came to represent objectively the programme of the Indian capitalist class. In other words, Congress provided the mediating link between the class aspiring to establish its hegemony over society and the political form of such class hegemony, the nation-state. But before it could emerge as this mediating link and crystallize itself as a party capable of capturing the governmental power, the class itself must have shed off its own internal differences as to the form of political representation. It must also be prepared to delegate its rule into the hands of a political party whose personnel need not have their origin in the class itself, who may not even consciously identify themselves as the representatives of the bourgeoisie, but who would objectively serve the interests of the class in the state within the framework of the long-term interests of the national capital. Moreover, the ideological differences between the different sections of the party must have got resolved in favour of a common programme expressing the unity of the class, and at the same time concrete enough to mobilize the masses for a struggle against the existing state. The fact that the bourgeoisie must not represent itself directly in the state, is determined, among others, by the need for a form of representation which has to provide an ideological form to the interests of the class, and not appear as its crude representative, so that the ideological hegemony of the bourgeoisie over the society as a whole is expressed in the form of the
... impersonal central rule of capital. The historical conditions of the twentieth century, \(^5\) ... the ebbs and flows of the national movement, \(^6\) ... the experience of the limited forms of participation in the government before Independence -- all these led to be resolution of the internal differences within the Indian bourgeoisie over the form of its political representation on the one hand, and the orientation of the Congress programme into closer proximity of the programme of the rising capitalist class on the other.

In the 1920s, and to a lesser extent in the early 1930s, Congress operated more as a platform for a wide variety of political groups united under the common goal of attaining Swaraj than as an independent political party. \(^7\) Groups and individuals with different approaches to the strategy and tactics to be adopted, operated through Congress and sought to expound their own ideas among the masses. Again, the very nature of the reforms that granted a limited form of democratization of the government enabled, and in fact necessitated, the direct participation of industrial and commercial interests in the legislative process along with the different political parties. \(^8\)

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5. Especially, the departure of laissez-faire and prevalence of state-intervention and state-planning as the post-depression means of crisis-management; the Russian Revolution, the First World War, the Great Depression and the armaments build-up leading to the Second World War later.

6. As has already been noted, the national movement not only preceded any organised activity of the bourgeoisie, it remained an independent force to reckon with in relation to which the bourgeoisie had to plan its strategy and tactics so as to be able to influence it. (See section 2.2.)


8. Thus for example, G.D. Birla and others were part of the legislature for some time, see P. Thakurdas to Mazumdar, 7 June 1929, PT Papers, file 42, pt. II.
But as the strategy of the Congress party came to acquire a more concrete shape and it began to emerge as a political party in the strict sense, the business and commercial interests began to identify in the Congress party a form appropriate enough for representing their interests before the masses as well as the state. It was the objective nature of the historical forces that determined the concrete shape of the national movement and its demands, crystallized in the form of the Congress programme for the establishment of a democratic nation-state. However, it required a considerable amount of effort on the part of the leaders of the Bourgeoisie to establish its programmatic relationship with the Congress and its leadership and to influence the political strategy of the Congress in the direction of the Strategy of the class. But before a programmatic unity between the class and the party could be made politically operative and functional i.e., before the Congress could be constrained to tone up its political strategy in approximation to the requirements of the Indian bourgeoisie, the class had to be unanimous about its own strategy, and identify in the Congress the adequate form for representing its class interests. A protracted internal struggle had to precede a final settlement of the question.

The different sections of the Indian capitalist class developed different strategies to represent the class interests politically. Generally speaking, there emerged three broad tendencies on the questions relating to the approach towards
the Reforms and the national movement. On the one side, there was the Tata group with its connections in the Bombay business and the Bombay Mill-owners, the so-called "loyalists", who, because of their closeness to the foreign interests both in terms of their sphere of activity and their education and culture, were the most allies of foreign capital and the colonial state. They sought to gain concessions from the state through cajolery and mutual help. On the other side, there were the "moderate" and "extreme nationalist" represented by Purshotamdas Thakurdas and G. D. Birla respectively, with Lala Shri Ram falling in between them. Purshotamdas Thakurdas, in spite of his Tata connections, represented an independent line from the standpoint of the long-term interests of the class as a whole. So was Walchand Hirachand who, regardless of his connections with the Tatas, was a radical nationalist mainly because of his shipping interests.

8. See Ray, Rajat K, op. cit., esp. Chap. 6
Gordon, A. D. D., Businessmen and Politics: Rising Nationalism and a Modernising Economy in Bombay 1918-1933.
10. See P. I. Papers, esp. Files 24, 42, Moroses, Frank, Sir Purshotamdas Thakurdas.
12. See Joshi, Arun, Lala Shri Ram: A Study in Entrepreneurship and Industrial Management.
Leaving aside the Tatas and the Bombay mill-owners (who played a vacillating role), the rest of the bourgeois leadership represented the mainstream of the class, organised in the form of FICCI. G.D. Birla and his followers represented the extreme nationalist current and formed from the beginning the financial backbone of most of the Congress constructive programmes of the 1920s onwards. He was the man who perfected, on behalf of the Indian capitalist class as a whole, the tactics of manoeuvring the Congress party and its leadership to fall in line with the strategic requirements of the class. Purshotamdas Thakurdas, on the other hand, was more straightforward in counterposing the class demands and the class strategy to those of the Congress party. He gave shape to the long-term demands

14. Birla wrote in 1932: "Though I did not take any active part in the Civil Disobedience Movement I had done everything else to embarrass the Government and had liberally subscribed to Ghandiji's constructive programmes." (Cited in Ray, Rajat K., op.cit.p.317).

15. On P. Thakurdas's opposition to the Non-cooperation movement see P.T. Papers, File 42. On his eagerness to strike a deal with the British by compromising the Civil Disobedience Movement (and Birla's opposition to this) see P.T.Papers, File 42 Pt.VII (esp.Birla's letter to P.Thakurdas 16 January 1931, on the RTC negotiations). On his disapproval of the Congress activities as being as wrong as those of the Government and his call for class activity, see, P.T.Papers, File 42, Pt.VI, esp.his letter to Birla, July 31, 1934: "The Congress would be best advised to say 'Hand off' commercial bodies and they will have the utmost support of the most conservative of commercial bodies in India without any body tying itself, either technically or tactically, to the Congress Chariot wheels". See Birla's reply, 3 August 1934, (ibid): While agreeing with Thakurdas on the representation of commercial community, Birla assured him that on this question there was no disagreement with Gandhi and Vallabhbhai. Although the Congress was in a rut, the latter were determined to purge it of all corruption.

..fn:contd.
of the class from a practical standpoint. Together they were instrumental in formulating the political strategy of the class, and the form in which the class interests should be represented and articulated. But it required a long period of practical experimentation and criticism before the Congress and its leadership could be made to represent and articulate the needs of the class before the masses and the state.

In the early 1920s the Congress developed for the first time as a mass movement with the Gandhian strategy of non-cooperation. G. D. Birla and the radical nationalist section of the Indian capitalist class saw in this a potential means for percolating the ideas of nationalism and native industrialization slowly downward to the masses, and at the same time using the pressure generated as the outcome of the mass involvement for forcing concessions from the government. Thus from the beginning G. D. Birla saw in Gandhi a potential mass leader who could be made to objectively represent the long-term capitalist interests. On the other hand, the moderate section of the class leadership whose spokesman was Purshotamdas Thakurdas, saw in the Gandhian programme for non-cooperation movement through the radicalization of masses, a danger to the future rule of native capital. As early as 1920, P. Thakurdas wrote:

15 contd. Again, one can note the mild tone of P. Thakurdas's criticism (compared to Birla's extreme and strong rebuff) of Gorabji's attempt to form an independent capitalist party — that too not on principles, but on pragmatic grounds of feasibility and efficiency etc. (See P. T. Papers, File 42, Pts. II and V, especially letters exchanged between Birla, Thakurdas and Mazumdar.)

16 See Birla G. D., In the Shadow of the Mahatma -- A Personal Memoir, see also Birla's correspondence with P. Thakurdas and others, P. T. Papers, esp. file 42.
"There are many in Bombay — and I dare say in India — who believe sincerely in the bonafides of the Government of India for the welfare of India... the responsible section having a stake in the country is not yet in sympathy with Mr. Gandhi's creed. In spite of all that floats on the surface this section is still correctly conservative."

Again, deriding the Gandhian method as extremist and harmful to the country, Purshotamdas Thakurdas called for a more cooperative approach towards the government and active participation in the legislature with its limited rights. In 1922, he along with M M Malaviya, M. A. Jinnah, Ambalal Sarabhai and others would circulate a memorandum condemning the Civil Disobedience movement and calling for a collaborative relationship with the government. While criticising the Gandhian method of struggle, however, he was far from questioning Gandhi's leadership over the national movement. But he was clear that under the given conditions neither Congress nor Gandhi could represent the Indian commercial interest. In 1920 he wrote:

"The commercial community was, of course, in no way represented at the Congress and it is correct to say that they do not share the view that non-cooperation is feasible or even desirable. But the masses are getting infected with the extreme view and that is the pity."

By mid-1920s, however, a common platform for united action of all political parties was beginning to emerge which would partly neutralize the initial radical character of Congress.

17. P. Thakurdas to Thomas Holland, 28 October 1920, P.T. Papers, File 24 Pt. II.
19. Speaking to an audience at Surat in the early 1920s, P. Thakurdas assured: "...none in India leave aside Surat, wished to or dreamt of taking away from him his leadership. Mr. Gandhi has done most useful work in working up the country generally to a sense of their rights and self respect. He had done splendid services in the Champaran and indigo growing parts to mention only one". P.T. Papers, File 24, Pt. I.
20. P. Thakurdas to Sir Henry, 14 Sept. 1920, P.T. Papers, File 24, Pt. III.
21. See note 72 above. Also see Jinnah's letter to P. Thakurdas, 22 May 1925, enclosing "suggestions" for a "honourable cooperation" among the Swarajists, Independents and friends.
The broad-based constructive programme of the Congress party and participation in the legislature came to form the main lines of the national movement. By 1926, G. D. Birla could claim to have sufficient influence over the views of the Independent Congress party on economic questions. By 1929 he would "arrange for Gandhi to go on tour" for recruiting members for FICCI. As soon as the FICCI acquired strength and the Congress acquired the status of a mass based political party, there was increasing awareness on the part of the class (especially the Birla wing) to make full use of the Congress leadership so as to use the masses mobilized through it in the direction most suitable to the interests of the class. Despite this awareness however, as late as 1930, the Congress party had not become the unqualified political representative of the bourgeoisie. It was only

f.n.21 contd...

Liberals "on a common platform on the basis of a common programme" as the "only alternative to a thorough programme of non-cooperation", P.T.Papers, File 40 Pt. III.
22. G. D. Birla to P. Thakurdas, 6 December 1926, P.T.Papers, File 40 Pt. III.
23. G. D. Birla to P. Thakurdas, 26 April 1929, P.T.Papers, File 42, Pt. II.
24. The proposal for an independent "United Capitalist Party" in 1929 brought this into the open. Also the conflict over Jawaharlal's socialist speech in 1936. Although selective support of individual Congress leaders remained the means of exerting whatever influence can be exerted on it, only by 1930 did the various sections of bourgeoisie more or less come to accept the political form of representation through Congress.
through the manipulation of the individual leaders of the Congress that the class sought to influence its decisions.

But the very fact that Congress emerged as a strong mass party, made the bourgeoisie to be more conscious of the need to come to terms with it. As J K Mehta of the Indian Merchants' Chamber put it:

"...The Congress is fast becoming a party organisation. As constituted formerly it had room in it for men of all shades of political opinion and economic views. Rightly or wrongly it is becoming a Labour organisation. We need not attack the Congress or try to undermine its position, but we must now recognize that the Congress is also a party organization and its policies and principles need not be deemed as above criticism." 25

While the moderate wing of the class kept themselves reminding of the task of criticizing the Congress policies, the radical wing of the class sought -- and succeeded in doing so -- to influence the Congress policy through the influence of its leadership. The latter was possible due to the objective conditions under which the party operated historically. But the very process of strengthening of Congress reduced the political activity of the bourgeoisie for sometime, so much so that Purshotamdas Thakurdas and G.D. Birla accused each other of having taken a "sanyas" from politics. 26 But observing that Congress had drifted away from its own policies and that there had grown in Congress a lot of corruption in the early 1930s, they were forced to be active again to pull the strings in the right direction. 27

26. See P. Thakurdas to G. D. Birla, 31st July 1934, and P. Thakurdas to G. D. Birla, 3 August 1934, PT Papers, File 42, Pt. VI
27. Ibid.
While the national movement and its main political form Congress objectively represented the aspirations of the Indian capitalist class in a long-term sense, it needed the mediation of personalities for consciously translating these aspirations into political practice. From the standpoint of the class also it required conscious efforts and plans to keep the leadership of the national movement within the terrain suitable to it. G. D. Birla masterminded the strategy of keeping the Congress leadership under check. It was a question of understanding the personality, psychology and ideology of the leaders and relating to them in a way best suitable to the class politics. And different approaches were needed to deal with the different sections of the heterogeneous Congress leadership. Conservative leaders of the national movement like Vallabhai Patel 28 posed no problem in being handled by the bourgeois leadership as they already consciously represented the bourgeois standpoint in matters of politics. In contrast, the extreme left-wing of the national movement was consciously anti-capitalist and hence needed to be opposed and outmanoeuvred by strengthening the conservative and moderate wings. 29 But for elements who lay in between these two poles, there were complications in handling them. As will be seen, often there was conflict within the bourgeois leadership as to the stance to be taken towards

28. See notes 18 and 26 above. See also G. D. Birla to P. Thakurdes, 20 April 1936; G. D. Birla to Walchand Hirachand, 26 May 1936; PT Papers, File 177.
29. This strategy is evident from Birla's and P. Thakurdes' communications to one another. See note 28 above.
specific individuals of this layer of the nationalist leadership. But ultimately Birla's good reason prevailed over others and the clase succeeded in adopting his method of representing the class interests through specific nationalist leaders with tact and intelligence. Birla's tactics in handling them can be best illustrated in examining specific cases, when the controversy raised over personalities of the nationalist leadership posed serious threats to the credentials of the capitalist class hegemonize the movement.

As far as individual leaders were concerned, the least controversial person was Gandhi. However, his ideological relationship with the capitalist class was the most enigmatic. Gandhi's philosophy was a backward looking, moralistic, utopian doctrine that revived some elements of Indian ancient philosophy and religion and gave them a new interpretation. His economic doctrine, in a certain sense, it is possible to separate Gandhi's views on economic matters from his what can be called "philosophical" outlook. Although it is possible see a unity between the two at one level (at the level of wishful utopia), we find very little consistency in the two. In fact, neither his philosophical and religious views nor his economic views was self-consistent. However, this is not the occasion for going into a detailed evaluation of Gandhism.

On the former aspect, see Gandhi, M.K., Hindu Dharma: The Removal of Untouchability: The Story of My Experiments with Truth etc.

30. See Gandhi, M.K., Trusteeship Corporation: Cooperative Farming: Rebuilding Our Villages; Constructive Programme, Its Meaning and Place: Bread Labour, the Gospel of Work etc.
based on his philosophical promises, presented the standpoint of the peasant, the artisans and the petty producer, ruined under the impact of commodity circulation on a general scale. Putting the blame for the expropriation of peasantry and the other evils of the capitalist system on modern machinery, Gandhi advocated the preservation of handicrafts, small technology (like charkha) and the village community. 32 Appealing to moral sentiments rather than scientific reasons, Gandhi sought to check the wheel of history towards the evils of capitalist development by the use of moral force. 33 Bourgeoisie, whose life and death depended on the expansion of industry and capitalist production, would be naturally opposed to such a backward looking ideology. How did Birla then manage to find in Gandhi the ideal person in whom the bourgeoisie could rely for the articulation of their interests? Apart from the religious values of Gandhi which found a respectable place in the minds of the sociologically traditional groups of business e.g. marwaris etc. and hence even with people like G. Q. Birla, his economic outlook could not obviously be the meeting point with the bourgeoisie. What qualified Gandhi for being the bourgeois representative was the fact that Gandhi could emerge as the unqualified leader of the vast masses.

32. Gandhi M. K., Cooperative Farming; Rebuilding Our Villages etc.
33. Gandhi M. K., Towards Non-Violent Socialism: Democracy Real and Deceptive; also the Story of My experiments with Truth.

See for criticism of this kind of "socialism" Marx and Engels, Manifesto of the Communist Party.
generalised commodity circulation and world market)\textsuperscript{34} and Gandhi's unique means of mobilization of the masses through satyagraha.\textsuperscript{35}

The nationalist movement being a movement for the change in the nationality of the state rather than for any change in its class/character, the Gandhian populism perfectly suited the bourgeoisie for the limited politicization of the masses which, while creating sufficient pressure, would not threaten the class rule of capital. Also Gandhi's notion of trusteeship,\textsuperscript{36} along with his limited acceptance of large scale industry in limited spheres,\textsuperscript{37} compromised his own economic outlook with that of the bourgeoisie.

G. D. Birla himself put the question as follows:

"There was not much in common between us so far as our mode of life went. Gandhi was a saintly person who had denounced all the comforts and luxuries of life. Religion was his main absorption and this interest of his drew me irresistibly towards him. His outlook on economics, however, was different. He believed in small-scale industries -- charkha, chandi and all that. I, on the other hand, lead a fairly comfortable life and believed in the industrialization of the country through large-scale industries. How then did we come to have such a close association?"

\textsuperscript{34} Already discussed in Chapter 2.
\textsuperscript{35} See note 33.
\textsuperscript{36} Gandhi, \textit{Trusteeship}.
\textsuperscript{37} Ibid.
\textsuperscript{38} Birla, \textit{In the Shadow of the Mahatma}, Introduction, p.xv.
The answer lies in the practical role of Gandhi in generating the pressure through the mass movement whose benefits were fully reaped by the bourgeoisie. Although Birla "did not take any active part in the Civil Disobedience Movement", he "had done everything else to embarrass the Government and had liberally subscribed to Gandhiji's constructive programme". And despite the initial rift between the moderate section of the class (e.g., Purshottamdas Thakurdas) and Gandhi on the question of the strategy of non-cooperation and civil disobedience, by early 1930s Birla's long period of nursing had brought Gandhi to the fold of the class. In 1931, the FICCI president Lala Shri Ram demanded of Gandhi:

"It has happened time and again that the Congress had committed itself to certain economic ideas of far-reaching effect without consulting the business community. Economics is our field and we could be of real service to the country and the Congress... We should therefore suggest to you, Sir, a sort of convention for the future that in all matters pertaining to the realm of economics, the Congress before making up its mind will allow us to offer it our suggestions and if necessary have discussions with our members".

In a sense, the bourgeoisie wanted nothing short of the privilege of dictating to the Congress in matters of its economic programme -- economic programme, because that would express the concrete demands of specific classes within the general framework of swaraj.

Gandhi realised this. But having come to accept the leading role of the industrialists as the trustees of social production and advancement, Gandhi was obliged to reply:

"I want you to make the Congress your own and we will willingly surrender the reins to you. The work can be done by you.... Your commence must be regulated for the benefits of the toiling millions and you must be satisfied with earning an honest penny. I do not for a moment believe that commercial prosperity is incompatible with strict honesty. I know businessmen who are absolutely honest and scrupulous in their dealings. It is thus easily open to you to take charge of the Congress." 41

Of course, Gandhi spoke with shrewdness, and therefore these lines should not be taken too literally. Thus this may not mean Gandhi's total surrender to the dictates of the bourgeoisie. But it expresses the manoeuvring capacity of the bourgeois leadership and the gulliability of the Congress leaders in tilting towards the former.

As far as the other leaders of the Congress was concerned, it was Birla again who demonstrated his skill and tactfulness in bringing them to the right track. And whenever the members of his class went astray in dealing with the Congress Leadership, either due to their own narrow interests or on the basis of a short-term strategy, G. D. Birla would come out openly against them, bringing home the point that although objectively Congress

represented the interests of the class, they needed to be skilful while handling its leadership. For example, when the Tatas mishandled S.C. Bose during the TISCO strike of 1929, he was furious against the Tatas management and wrote to Purshotamdas Thakurdas:

"When we deal with men we ought to study their psychology. Mr Bose is a very sincere and scrupulous man and appreciates the necessity of cooperation with reasonable and advanced type of capitalists. He, himself belongs to the aristocratic class, although he voluntarily renounced many luxuries. His main object in labour matters no doubt is service to the labour but not necessarily inimical to the capitalist. He is one of those who think industrialization in many directions a quintessence of modern civilisation and therefore is ready to help the industries by protection and other methods. But even a sympathetic man could be alienated if mishandled, and Mr Bose mishandled has been. All the same he is a shrewed man with a wide outlook and understands very well that hitting the Tata Iron & Steel does not necessarily mean hitting Tatas."

Purushotamdas Thakurdas himself took the TISCO management to task on this question, in his capacity as a member of the Board. Although the Tatas did not fall in line with the FICCI leadership and others on many occasions subsequently, they were held at check as far as dealing with the nationalist leadership. Whenever such criticisms came up from G.D. Birla and P. Thakurdas, Dorabji quieted Tata was quieted.

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42. G.D. Birla wrote to P. Thakurdas, "Why is it that Sri Ibrahim (TISCO management) could not influence Mr. Subhas Bose when the later threatened a strike in Tatas?" 30 July 1929, P.T. Papers, File 42, pt. V) see also notes 43 and 44 below.
43. G.D. Birla to P. Thakurdas, 16 July 1929, P.T. Papers, File 42, Pt. I.
44. "Note by Sir Purushotamdas Thakurdas" on TISCO strike P.T. Papers, File 84.
The most difficult leader to handle was Jawaharlal Nehru. Nehru had entered the mainstream of the national movement from the top, i.e., as a leader more or less implanted from above and thus lacking an independent mass base. To spread his roots among the masses and to learn the art of mass work, he decided to become a disciple of Gandhi. But as far as ideology and economic outlook were concerned, Jawaharlal did not subscribe to Gandhi's views. In this respect he represented an ideology which identified progress and property with socialist industrialization for removal of poverty and for social progress. Although the Congress had gathered the masses for Swaraj, it needed — as Jawaharlal would see it — progressive ideas and correct leadership. By mid-1930s when he became the President of Congress, the latter was "in a rut due to idiotic ideas of certain people." Jawaharlal saw himself as the person who would fill the gap of leadership of socialist ideas, and would provide a new direction to the national movement. By the time he became the President of Congress, he had already emerged as a mass leader. Not only that, he had developed a tremendous will power, and the self-conception of a rising hero in the stage of world history. As Jawaharlal would see himself in the stage of history with the eyes of 'Chanakya' (the Indian Machiavelli):

46. Ibid esp. Chapters 9 and 14.
47. Ibid, Chapter 14; especially p. 205.
"He goes to the peasant and the worker, to the zamindar and the capitalist, to the merchant and the peddler, to the Brahmin and the untouchable, to the Muslim, the Sikh, the Christian and the Jew, to all these he speaks in a slightly different language, ever seeking to win them over to his side. With an energy that is astonishing at his age, he has rushed about across this vast land of India, and everywhere he has received the most extraordinary of popular welcome. From the far north to Cape Comorin he has gone like some triumphant Caesar passing by, leaving a trial of glory and a legend behind him. Is all this for him just a passing fancy which amuses him, or some deep design, or the play of some force which he himself does not know? Is it his will to power, of which he speaks in his *Autobiography*, that is driving him from crowd to crowd and making him whisper to himself:

'I drew these tides of men into my hands and wrote my will across the sky in stars.'

This was Jawaharlal in the mid-1930s, bathing in the self-glory of his newly found success as a mass leader and preacher, handing down ideas and radiating charisma. Standing on the brink of history and looking at the masses from that point, Jawaharlal would use his position as the president of the Congress to disseminate his ideas of democratic socialism among the masses who he felt were in so much need of them. But he was also conscious of the fact that the party as such and the national movement as a whole were not prepared for acting on the lines of his socialist ideas, even in the limited sense in which he sought to interpret it.

Therefore, while he would preach socialist ideas, he would not force them down the throats of others in the party and would rather go along the lines of the majority. Thus in one of his presidential speeches he would say, on the one hand, "let us try to develop the historic sense so that we can view current events in proper perspective and understand their real significance"; historically seen, the solutions to the problems of the world and of India could be achieved only through socialism; "and when I use this word I do so not in a vague humanitarian way but in the scientific, economic sense." On the other hand, however, he would not insist on the acceptance of those ideas and their practical application on the part of the Congress. In fact, as far as the anti-imperialist struggle was concerned, he was prepared to give concessions to all those who would join the struggle.

The young Jawaharlal's socialist speech did not carry any practical value as far as the bourgeoisie was concerned. And this G.D. Birla knew very well. Insofar as Gandhi and the Vallabhai group were in control of the situation, the more academic socialism of Jawaharlal did not create any problem. As Birla put it,

50. Ibid, esp. p. 207; Philips (ed) op. cit, pp. 246-50.
51. Ibid.
52. Ibid.
"I am perfectly satisfied with what has taken place, Mahatmaji kept his promise and without his uttering a word, he saw that no new commitments were made. Jawaharlalji's speech in a way was thrown into the waste paper basket because all the resolutions that were passed were against the spirit of his speech. I understand that he was in a very small minority viz. 100 voting for him and 600 against. Rajendra Babu spoke very strongly and some people attacked Jawaharlalji's ideology openly. It must be said, however, to the credit of Jawaharlalji that he fully realised his position and did not abuse his powers. The Working Committee which he has constituted contains an overwhelming majority of 'Mahatmaji Group'. He could have caused a split by resigning but he did not. I am told that the official circles, when they read his speech, were overwhelmed with joy because they saw in it a source of split in the Congress, but Jawaharlalji avoided it. Jawaharlalji seems to be like a typical English democrat who takes defeat in a sporting spirit. He seems to be out for giving expression to his ideology but he realises that action is impossible and so does not press for it. He confessed in his speech that tall talk was a bad habit in India and that there was no chance of any direct action in the near future. It could be said therefore that the things are moving in the right direction. The election which will take place will be controlled by 'Vallabhai Group'... Rajaji's inclusion in the Working Committee, is in my opinion, a very significant thing".53

Purshotamdas Thakurdas replied:

"I do not disagree with you, but I feel that a good deal of nursing will have to be done to keep Jawahar on the right rails all through. I never had any doubt about the bonafides of J; in fact, I put them very high indeed".54

However, the very next month he along with Walchand Hirachand and a score of "Bombay industrialists" brought out a manifesto against socialism and communism, openly attacking Jawaharlal. He signed the manifesto "to make it quite clear that the

53. G. D. Birla to P. Thakurdas, 20 April 1936, PT Papers file 177 pt. IV.
54. P. Thakurdas to G. D. Birla, 23 April 1936, P. T. Papers, File 177.
somewhat aggressive manner in which Jawaharlal was preaching socialism, verging on communism, can do no good to the country. For this G.D. Birla took them to task for their childish behaviour of opposing socialism openly, and thus creating antagonism among the masses. The defence of capitalist property by capitalists themselves looked crude, and obviously would not carry any credibility. It required a party of professional politicians (who did not belong to the capitalist class by profession) to argue the interests of capitalists. Thus Birla wrote to Walchand Hirachand:

"Do you think you were right in signing that manifesto against Jawaharlal? If its merit is to be judged by the results then I must say that you have been instrumental in creating further opposition to capitalism. You have rendered no service to your castemen. It is curious how we businessmen are so short sighted. We all are against socialism and yet nothing is being done to carry on argumentative propaganda and even people like Vallabhbhai and Bhulabhai who are fighting against socialism are not being helped. It looks very crude for a man with property to say that he is opposed to expropriation in the wider interest of the country. It goes without saying that anyone holding property will oppose expropriation. I do not mean that expropriation is not against higher interests but the question is, 'Are you or myself a fit person to talk?' Let those who have given up property say what you want to say. If we can only strengthen their hands, we can help everyone. Apart from this, our duty does not end in simply opposing socialism. Businessmen have to do something positive to ameliorate the condition of the masses. I feel that your manifesto, far from helping, has done positive harm to the capitalist system."


56. G.D. Birla to Walchand Hirachand, 26th May 1936, P.I. Papers, File 177.
And to Purshotamdas Thakurdas, Birla wrote in a more politely worded tone, saying that his signature in the manifesto was most unfortunate and ill-conceived. The manifesto had done unrepairable damage to the credibility of the capitalist class and provoked strong reactions from the anti-capitalist forces — effects which P. Thakurdas surely did not intend. And soon Purshotamdas Thakurdas and Walchand Hirachand were brought to the right track to admit the validity of Birla's argument. On the other hand, the radical wing of the class, based mainly on the traditional merchant groups, shroffs and traders, rushed to Jawaharlal to assure him of their support and dissociate themselves strongly from the industrialists' manifesto against him. They would present purses and express satisfaction at his work for "the uplift of the peasants and workers of India" present memorandums praising Nehru's work; and would request him "to explain what he meant by socialism, when it would be achieved and whether the merchants with their limitations could give their quota in the movement of socialism". Under the pressures of the radical wing of the class, the class leadership came to recognise the necessity of adopting Birla's method of representing the class interests through an intelligentsia who in their own class position differed from the capitalists, thus to adopt Congress as the unanimous party of their class interests, and to tolerate the left-wing within it as a necessary evil.

57. G D Birla to P. Thakurdas, 1 June 1936, PT Papers, File 177.
However, for the manoeuvre of the Congress leadership to represent the long-term interests of the class, the class itself had to give prominence to these interests over and above the short-term ones and those of the particular capitals. And whenever the narrow short-term interests of the class or those of particular capitals gained prominence, there would be confusion about the form of representation, which would be settled, out of necessity, in favour of the Congress. One occasion under which the possibility of a direct form of representation of class interests was counterposed to the form of representation through the traditional intelligentsia of the national movement, e.g., of the Congress, was in 1929. Under the conditions of the Great Depression, when the short-term interests of particular capitals tended to bypass the long-term interests of the national class as a whole, the possibility of organising an openly capitalist party, independent of nationality, but a party organised against the working class and its ideological forms, was in fact posed, debated and finally rejected by the Indian capitalists.

Under the impact of the depression the nascent industrial working class was forced to go into the political fray against capital in a big way. Thus in all major industrial centres of India, there were strike and agitations. By this time there

59. See Royal Commission on Labour, Report. See also PT Papers, FJ7ca 42, 24, 81.
had been a significant degree of infiltration of Russian communism into the working class movements in the country, especially those around Bombay. For example, a certain Girni Kamgar (Red Flag) Union, with alleged connections with Moscow, exercised tremendous leadership over the Bombay mill workers and their activities created communist spectre among the mill-owners. In the wake of the countrywide strikes and the communist spectre, two leading textile mill-owners Ibrahim Rahimatoola and Gouasji Jahangir, supported by Dorabji Tata, proposed to form a United Capitalist Party, representing the interests of Indian and European capitalists, to compete with all other political parties in the legislature and to press for the necessity of strong measures to suppress the menace of communism in India. This move brought to the open the

60. In an article in Pravda, 22 June 1929, it was claimed that Moscow had increased and intensified its activities in India. This was part of the tactics, outlined in Pravda, 18 June 1929, for "the formation of Communist battalions in all colonies. Hailing the "victorious revolutionary trade union in Bombay", Moscow emphasized the "fighting revolutionary class spirit and enthusiasm" of the Indian masses who under its leadership had "frightened the bourgeoisie". One does not know whether Moscow deserved the credit it claimed in terms of influencing the Girni Kamgar Union, but the bourgeoisie did get frightened. Munmchandas Ramji, a prominent millowner gave evidence before the Bombay Riots Inquiry Committee 1929 — widely publicised in the press — accusing the "communist movement of having ruined the Bombay textile industry" (Quoted in the Daily Mail, 2 July 1929) Ramji's view found support among many other prominent bourgeois leaders. (See especially correspondence between Mazumdar and Thakuradas on the question of the united capitalist party in P.T. Papers, File 42, pt II, see also Mazumdar to P. Thakuradas, 3 July 1929, PT Papers, File 42, pt IV.)

61. Ibid. Mazumdar, writing on behalf of Dorabji Tata, mentioned in a note to P. Thakuradas: "He has been very much perturbed of late over the labour troubles in Bombay and elsewhere and considers that our politicians have rather
difference between the Tata group and the majority of the class opinion expressed through the FICCI. The leading spokes-
men of the Indian capitalist class came to see in such a move a crude portrayal of the narrow exploitative side of

61 f.n. contd.
failed to safeguard the essential economic interests of the country; have failed to stand up against the Red leaders of
disruption, and the capitalists must therefore in their own way take such action as they deem best to protect themselves". Although there were the Chambers of Commerce or the Millowners' Association etc. "who are no doubt doing good work in their own way", they were not capable of defending capitalism from the onslaughts of communism, thus "cannot do the work that the new organisation has set itself out to do". Again, although there were enough support forthcoming from the political circles in defence of the capitalist system, Dorabji and other organizers of the new party felt that "there is such a thing as self-help also, additional to political support,... and one of the aims of the proposed organisations in India is ... to seek, and influence and create also, the necessary political support in furtherance of the industrial interests of the country," (Muzumdar to P. Thakurdas, 22 May 1929, P.T. Papers. File 42, pt. II)

Emphasizing the "necessity of a strong capitalist organisation to combat this poisonous evil", Muzumdar wrote on behalf of Dorabji Tata, "It must not be said of the capitalists that they sat with folded hands while mischief-makers were about disintegrating the whole fabric of the country's industrial organization. Why leave it alone to the existing organisations or solely to the politicians?" "Sir Dorabji recognises the differences in interests between the Indian and the English communities in India, but they are certainly at one with us where the red flag is concerned; and while they are so, can we not use their interest and their motives against the common enemy"? further: "'The more the merrier' is a trite saying; but in this case even a multiplicity of organisations would add to the strength of the blows that we must give to smash Moscow's avowed and open instigation of our labour, deliberately aimed at overthrowing the industrial system in India. You, as businessman yourself, with large interests of your own, and you as one of our leading politicians who have fought many a battle in India's interests should not say 'Leave it to us, we shall manage it'. Would you not rather say: 'Give us a hand, each one and all of you interested in the country's industrial future. And if you have organised yourselves bring in the weight of your organisation to fight a foe that is attacking underhandedly the very vitals of our national wellbeing.'?" (Muzumdar to P. Thakurdas 3 July 1929, PT Papers, File 42 pt. V).
capital. And instead of representing the interests of the class in the legislature and winning the support for the same from other sections of the society, the proposed party would dis-credit the class from the other sections and alienate them from its interests. Moreover, such a formation would compromise the nationalist aspirations of the class under the guise of protecting capital in general from the red terror. The members of the Congress party also had obvious reasons to react sharply towards the move for an anti-Congress political association of capitalists, as was expressed by the violent reactions of Motilal Nehru and M M Malaviya.

The motive force behind the Tatas' move for an independent capitalist party lay in their conception that on the face of the offensive of the working class movement under the communist leadership the "political...have rather failed to safeguard the essential economic interests of the country.... the capitalists must therefore take such action as they deem best to protect themselves." No doubt there already existed business organisations in the form of chambers of commerce etc. which were "doing good work in their own way", but as far as the political defence of capitalist property was concerned these organisations "cannot do the work that the new

64. see note 61 above.
organisation ((the proposed united capitalist party)) has set itself out to do. Independent of the political support received from different political parties received by the class, there has to be "such a thing as self-help", that is, a class party of the capitalists. The aim of the Capitalist Party would be "to seek and influence and create also, the necessary political support in furtherance of the industrial interests of the country"— as a positive programme, in addition to the specific function of the direct defence of capitalist private property on the face of challenges from the working class.

Purshotamdas Thakurdas's reaction to such a move was obvious. He had already argued in his famous Calcutta speech, that the political ideals of the national movement were the same as the economic ideals of the Indian capitalist class. Devoid of its nationalist identity and spirit, the class stood reduced to an agent of mere exploitation. Formation of a party in collaboration with the European capital under the spell of a tactless overreaction to the communist threat was bound to compromise the national movement. "Till now we have managed", wrote P. Thakurdas, "to keep Indian commerce and industry outside the field of political controversies", as all the

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65. See note 61 above.
66. See note 61 above.
67. See section 4.1 above.
nationalist parties in the legislature were unanimous on major demands of the Indian capitalist class, e.g. on concrete questions like cotton excise duty, steel protection, protective duties on imported piece-goods, Kalyan Power House, Rupee-Sterling ratio. Obviously, the Europeans could not be said to agree with the Indian interests on any of the above questions. Therefore, the proposed capitalist party was "bound to be prejudicial to Indian commerce and industry". Moreover, such a party would "have neither the backing nor the following which would make such a political party an effective party." Outside the specific nationalist demands of the class which went against the European interests, of course, there was the common bond between the European and the Indian capitalists, as capital in general devoid of nationality, including the need to fight against the communist threat. And a class-conscious capitalist spokesman like Purabotamdas Thakurdas could not be expected to underrate the importance of this factor. But it was "better to join hands a little later and on surer grounds than today, and risk either falling out or withdrawal." Besides, however, it was a question of working against the communist threat rather than making unnecessary hue and cry about it: "I and the

68. See P. Thakurdas to Mazumdar, 7 June 1929, P.T. Papers, file 42 Pt. II.
69. Ibid.
70. Ibid.
71. Ibid.
Indian Merchants Chambers here are as strongly opposed to the Red Union as anyone can be. Our only difficulty perhaps is that we talk less about it and try to act more than the others who boast in mere words". Thus Purshotamdas Thakurdas betrayed the real picture of his own strategy for the class: to talk less in open, but to manage the affair secretly; to represent the capitalist interests without making it appear as merely capitalist interests; to maintain and promote the class interests (the 'economic ideals') in consonance with the leading organisational form of the national movement, the Congress.

G. D. Birla was most conscious of the necessity of the ideological form. And thus he was more vocal than anyone in taking the sponsors of the proposed party to task for the "absurdity" of their attempt in fighting communism through "such hopeless silly methods", "such frail weapons". Besides agreeing with P. Thakurdas on the fact that "none of the members of the new association carries any weight either with the masses or with the middle classes", Birla remarked:

72. Ibid.
"Most of the capitalists ignore the fact that to some extent they themselves are responsible for breeding a Communism, and I have not the least doubt in my mind that a purely capitalist organisation is the least body to put up an effective fight against Communism. What we capitalists can do towards driving this evil out of India is to remove the root causes so far as we are concerned and also cooperate with those who through constitutional means want to change the government for a national one. The salvation of the capitalist does not lie in joining hands with the reactionary element. ... The politicians feel that our capitalists are out for exploitation hand in hand with the foreign capitalist, and this new association can only confirm this suspicion" 74

Be it the protection of the capitalist private property from the communist threat, or the constitutional transformation of the colonial capitalist state to a capitalist nation-state, it was clear (a) that the interests of the capitalist class could not be represented in the public eyes stood for exploitation, and thus an openly capitalist party would not get mass support; (b) that to be effective, these interests must be represented through a political organisation which in its form (in language and ideology) would appear to represent all the sections of society, but would objectively and concretely pursue the interests of the national capitalist class; 75 (c) that such a political organisation must

74. C. D. Birla to P. Thakurdas, 30 July 1929, loc.cit.

75. Note Birla's concern with how the class interests are made to appear in the eyes of the public in his letter to Walchand Hirachand, referred in note 111 above: "It goes without saying that anyone holding property will oppose expropriation... but the question is 'Are you or myself a fit person to talk?' Let those who have given up property say what you want to say. If we can only strengthen their hands, we can help everyone".
fight for a constitutional transformation of the existing state to bring about a nation-state, structurally representing the interests of the capitalist class of India — constitutionally. Insofar as the state already contained the feature of capital in general, and insofar as the enemy was merely a competitor belonging to the capitalist mode of production rather than to an old mode of production; and hence, the need for constraining the mass movement onto the desired track; but yet a transformation which would bring about the political hegemony of the class; and (d) that the leadership of such a political organization (which Congress objectively served as) must be managed with care and tactfulness to maintain the credibility of the capitalist class as playing a leading role in the national movement, as the hegemonic class. The clarity in regard to the above was explicit in the practice of the leading bourgeois leadership like G.D. Birla. But it got demonstrated to the class as a whole practically, after the proposal to form a United Capitalist Party fizzled out rather prematurely.

From this point of time the Congress would emerge as the party through which the Indian capitalist class would be forced to represent its interests. No doubt, the defects and weaknesses

76. The "constitutional" transformation of the state had been clearly conceived as the objective of the bourgeois class movement by the prominent leaders of the class. See e.g. Birla to P. Thakurdas, 30 July 1929, op. cit: "What we capitalists can do … is to … cooperate with those who through constitutional means want to change the government for a national one."
of the Congress would be criticised now and then, as dictated by these interests in themselves, and the left-wing would be kept in check through criticisms and manoeuvres.

But this would not prejudice the nature and form of the representation and articulation of the class interests. For example, in 1930 J.K. Mehta of the Indian Merchants' Chamber would write:

"the Congress is fast becoming a party organisation. as constituted formerly it had room in it for men of all shades of political opinion and economic views. Rightly or wrongly it is becoming a Labour organisation. We need not attack the Congress or try to undermine its position, but we must now recognise that the Congress is also a party organisation and its policies and principles need not be deemed above criticism."

Whereas the existence of some left leaders gave the Congress the character of a labour organisation, the bourgeoisie had come to accept that it had to be reckoned with, either through criticism or through manoeuvres. Still later, there would be a number of differences between the class and the party over policy and strategy. But ultimately the class would assert itself through pressures, tricks, manoeuvres and tactful handling of the Congress leaders, and the leading members of the class would play an important role in shaping the class interests into the form of ideology, appropriate to the spirit of the national movement, and fusible into the various party programmes.

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774 J.K. Mehta, Secy. Indian Merchants' Chamber, to P. Thakurdes, 3 February 1930, P.T. Papers, file 42, Pt. VIII.
4.3. **Attitude towards the working class**

Besides the bourgeoisie, and standing opposite it, the other most important class of the modern society is the working class.\(^1\) In the national struggle, therefore, the bourgeoisie is forced to play down its conflict with the working class, and carry the latter with it to the maximum possible extent, so that the political energy of the entire nation is concentrated against colonialism.\(^2\) The degree of maturity of the bourgeois leadership would obviously be reflected in the attitude it develops towards the working class, and the extent to which it succeeds in neutralising the effects of the class struggle and in establishing an ideological hegemony over the working class. The objective basis of such a hegemony lay in the fact that for a rising nascent working class, its own expansion was tied up with the long term interests of the bourgeoisie, namely, the conversion of India into a rapidly developing capitalist country. But it would require an enlightened approach on the part of the leading men of the bourgeoisie to translate this objective basis into the level of ideological hegemony. (We have already seen the tensions within the bourgeois leadership in the context of the red spectre of 1929 in the previous section). The degree of success in the establishment of such a hegemony would of course also depend, among others, on ideological hegemony.

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2. This is clear from P. Thakurdas's and C. D. Birla's reactions to the attempts on the part of Dorabji Tata and others to form a United Capitalist Party in collaboration with the European businessmen. See section 4.2. above. See also note 50 to Section 4.2. for Nehru's attitude on the question.
on the level of development of the working class and its leadership, and the pace and historic conditions of capitalist development—which are outside the scope of our present analysis. Here we are concerned with the attitudes of the Indian bourgeois leadership towards the working class and the maturity of consciousness and judgment it demonstrates in its efforts to present itself as the hegemonic class, more specifically, as a class protecting and defending the interests of the working class alongside its own interests.

The attitude of the bourgeois leadership would be determined by factors arising out of sympathy, a sense of justice and fairplay, capitalist prudence, or out of consideration of the long-term class interests. The forms of expression of these attitudes would appear either separately or in combination, but would form a part of the conscious articulation on the part of the top leadership of the class. As for P. Thakurdas, one aspect of his attitude to the working class could be put in the words of S.C. Datta, a leading tea planter and member of the Legislative Assembly:

"One thing that has struck me most is, that though yourself a millionaire and one of the merchant Princes of India, you have got a soft corner in your heart for the labourers, towards whom you are always sympathetic and whose interests it has always been your best endeavour to serve. In fact I consider yourself to be the very symbol of Capital and Labour combined, which is typical of Oriental culture in direct opposition to the present culture of the West."[3]

Again, when the Bombay Riots Inquiry Committee of 1929[4] would try to implicate the communists in the riots, P. Thakurdas would

3. S.C. Datta to P. Thakurdas, 19 June 1927, P.T. Papers, File 40, Pt. III.
4. See P. Thakurdas's oral evidence before Bombay Riots Inquiry Committee, July 2, 1929, P.T. Papers, File 81 pt. IV.
vehemently oppose such a move. He might be against communists on other grounds, but would not like to blame them for communal activities for which they were not responsible. Ordinary capitalists might like to kill the enemy on a false pretext, but that would be against justice. Thus when the Inquiry Committee sought to argue that the communist activities had led (indirectly if not directly) to the participation of the riots in the Bombay mills, P. Thakurdas would reply:

"I have not heard anything so damning so far as the Communist agitators are concerned as to be able to recommend anything of that sort. As a matter of fact, what I have heard is -- and I have heard from a source which I would not doubt -- that in the ordinary course these communist agitators say that they are against capital and against the present form of ordered Government. They say "we know no communalism". Therefore, in this communal riot they may be a little more innocent than anybody else."5

The Committee would try again:

"It is suggested that the Communists made this attack on the capitalists and Government without knowing that it would lead to communal trouble, that it developed into communal trouble without the intention of the Communists, because they had weakened authority and so forth?" But P. Thakurdas would come out categorically--

"I am no friend of the Communists, but I think it smacks a little of giving the dog a bad name and hanging him. To bring the Communist in this matter is a little too far-fetched. On the general question I would like as many spokes put in their wheel as possible, but nothing has come to my knowledge in this connection."6

6. Ibid.
On the other hand, when it came to the interests of the capitalist class as a whole, he would be firmly against any measure which might be prudent from the standpoint of an individual capital, but which would go against the interests of the class as a whole. Thus for example, when in 1929 the TISCO management tried to seek a compromise with the workers by giving them some concessions like the strike wages, both to rectify their past mistakes in taking an unnecessarily strong attitude towards the workers, which led the latter to an agitational path and to minimize the losses, P. Thakurdas, a member of the governing board, would strongly argue against any such concession as it would set a precedent that would tie down the hands of the entire class.

He wrote:

"It is now suggested that we must regard this question from a broad economic point of view and not from the point of view of the relative rights of capital and labour. One wishes that this was borne in mind at the commencement of the strike last year when the management and the Agents both made so much of the question of discipline in the Works and were opposed to the slightest negotiation with Mr Homi.... The question to bear in mind, is the Company to set the precedent of paying the strike wages in a strike where, the Board were assured last year that the aggressive was recklessly taken by labour and their irresponsible leaders? Further how will this precedent which is now sought to be set here, affect industries generally in India?"

It is the last sentence which betrays the real criterion which P. Thakurdas considers to be the ultimate standards of the extent to which the bourgeois leadership could go in extending concessions or creating an image of protecting the interest of the

7. See "note by Sir Purshotamdas Thakurdas" in P.T. Papers. File 84.
8. Ibid.
workers. Workers' demands are to be considered, but no indiscipline or insubordination to be tolerated. For that would undermine the very principle of domination on which alone can capital operate, confronting the workers as mere forms of its own existence.

As far as G.D. Birla was concerned, he stood as the hard task-master before the entire capitalist class, always championing the long-term interests of the class, and bringing the belligerent elements to task for their emphasis on narrow particular interests, for not being able to see the woods for the trees. Thus when individual capitalists would come out against the workers, thus forcing the workers to go on strike, Birla would strongly admonish them pointing out the fact any loss due to strikes etc. was bound to deplete the competitive strength of the Indian capitalist class vis-à-vis the foreign capitalist. When in 1929 the TISCO management mishandled the worker leaders, leading to a long period of agitation, Birla joined P. Thakurdas in condemning their attitude. Again, in the context of the Bombay strikes, he would attack the "sordid mentality of the mill-owners" in precipitating the strike and thus "who in their interests are losing the sympathy of all right-thinking men", and "undoubtedly serving their (Manchester's) interests rather than their own".

Attacking the strike-breaking tactics of the mill-owners Birla would write:

"Every one of us is tired of strikes and we all want them to end as immediately as possible. But to adopt tricks with a motive to replace the Hindu labour by Mohammedans and thus intensify the existing communal tension is a thing which every Mill owner and particularly the Hindu Mill owner should feel ashamed of." 1

Again

"Their reactionary attitude in politics coupled with their exploitation of the communal situation has already made them lose sympathy of many reasonable people, and the refusal of wages, I am afraid has been the last straw on the camel's back. ... I firmly believe that the seriousness of the situation has been more or less due to the foolish attitude of the Mill owners, because with Managing Agents of sympathetic view and broad outlook there should have been no strike at all." 12

Similarly, in an effort to go beyond the apparent causes of the Bombay strike of 1929, Walchand Hirachand would see the strike as arising out of low wages and bad conditions of work. Arguing against the attitudes of the mill owners, he would say:

"If we carefully look into the disaffection and unrest as reflected in the frequent strikes in the Bombay Textile Mills, it can be seen that it is not possible to tide over the trouble, by affecting small economies here and there, as some Mill owners seem to imagine. The fact is that the workers have not received any increase for some years past. It is but natural and human that one should expect promotion and improvement in life. The workers' sense of the amenities of life has developed in common with the rest of the society and they find that their means have not proportionately increased. This they feel and feel bitterly too ... Complaint about victimisation, demand for recognition of Trade Union Committees in the Mills and of their right to collect Union contributions in the Mills premises, the demand for reinstatement of old hands, all these and similar other causes are only the outward symptoms of the underlying discontent and disaffection, among the workers.... His whole struggle therefore today looks as if it is directed to maintain his present level of wages and to save himself from unemployment." 13

11. G.D. Birla to P. Thakurdas, 4 May 1929, PT Papers, File 81, Pt. II.
12. G.D. Birla to P. Thakurdas, 16 May 1929, PT Papers, file 81 Pt. II.
13. Speech by Walchand Hirachand, President, Maharashtra Chamber of Commerce, at the second Quarterly Meeting, 8 May 1929, PT Papers, file 42 Pt. II.
Birla had already made a similar point when he blamed the capitalists as partly the cause of the workers' strike.\textsuperscript{14} All these were reflections of the anxiety of the top bourgeois leadership to play down their class conflict with the working class as far as possible so as to channelise their energy against the foreign capital — except, of course, when the interests of the class were seriously jeopardised. We have already noted how P. Thakurday objected to the grant of a strike-wage to the TISCO workers as it would create a precedent for the whole of India.\textsuperscript{15} Similarly, he would seek the cooperation and help of the Government in checking the activity of the communists, and would frequently complain about the inactivity of the Government in this respect.\textsuperscript{16} Again, the Indian delegation to the International Labour Conference 1937 would strongly oppose a move in one of the sessions of the latter's meetings to increase the minimum age of an adult worker with a view to abolish child labour, on the ground that such conditions would not be suitable for India, i.e., for the Indian capital.\textsuperscript{17} But by and large, the overall policy of the top bourgeois leadership consisted in containing the working class struggle under its own ideological hegemony to the maximum extent possible.

\textsuperscript{14} G D Birla to P. Thakurday, 30 July 1929, \textit{PT Papers}, file 42, pt. V.
\textsuperscript{15} See note above.
\textsuperscript{16} P. Thakurday to Mazumdar, 7 June 1929, \textit{PT papers}, file 42, Pt. II.
\textsuperscript{17} International Labour Conference, 1937 Report of the Indian Delegation.
Under the historical conditions in which the national movement had to advance and the role the Indian capitalist class was forced to play in it, the attitude of the class towards the problems and struggles of the working class was determined by the predominance of the nationalist class consciousness against the foreign capital, rather than by considerations arising out of the abstract interests of capital in general, or that of the narrow interests of particular capitals or sections of the class. As P. Thakurdas had put it, without its identity with the national movement, the Indian commercial community stood reduced to mere exploitation of labour. Given a capitalist state which had already played a revolutionary role in destroying the old modes of production, and which continued to serve the function (though might not be to the full satisfaction of Indian capital) protecting capitalist property relations on the face of any threat from the working class, the aim of the Indian capitalist class was already limited — merely to change the nationality of the state through constitutional means, and establish its class hegemony over the entire society. The latter forced the class to suppress its own conflict with the working class till it could capture political power and enact its own legislation in this respect, or at least express this conflict in a form which at the same time subordinates the working class interests under its own long-term class interests.

for rapid expansion. Moreover, this subordination of interests had to be articulated in a form acceptable to the working class. The programme of the class, as well be seen, did try to present itself in a form expressing the immediate historical interests of the society as a whole, including the working class.
4.4. Strategy and tactics of the class in the struggle for independence.

It was mainly after the First World War that the bourgeoisie as a class could play any important role in its own revolution. It was the colonial state which during the nineteenth century had completed the initial tasks of the bourgeoisie revolution by destroying the fabric of the old society, and by creating some of the basic conditions for the growth of the capitalist mode of production. And only towards the end of the nineteenth century did there emerge a national movement led by the middle class nationalist intelligentsia, leading the bourgeoisie revolution on behalf of the bourgeoisie, yet to mature and organize itself. Given these conditions, by the time the class began to enter the political fray as a self-conscious class, it was bound to play a conciliatory, passive, and in many ways a compromising role.

The task before the revolution, as the bourgeoisie saw it, was to bring about a constitutional transformation in the nationality of the state, and such other modifications in its form and functions as would be required for the operation of modern corporate capital. Thus the form of struggle most appropriate to the task would be one which sought to limit the radicalization of the masses for a gradual and constitutional change, even if it meant a slow and protracted process. The aim was to preserve those aspects of the state structure which protected the general interests of capital as such, while bringing about a change in its nationality, and to allow sufficient time and experience for the class to grow and mature as a class capable of establishing itself as the ruling class. Now,
given the fact that Congress, the party of the national movement, had already developed its own method and forms of struggle (evolved through a long period of interaction between mass spontaneity on the one hand, and tactics of struggle sought to be put to practice by the heterogeneous Congress leadership of representing different ideological tendencies on the other) it would require enormous efforts on the part of the bourgeois leadership to be able to twist them in its favour.

It is often said that the traditional, mercantile section of the Indian capitalist class was more aggressive and radical than the industrialist (big business) section, because the latter rather than the former was more dependent on the government of the day. For example, Rajat writes:

"In the very nature of things there could be no head-on collision between the Raj and the big business. For big business to carry on physically, cooperation with the administrative authority was at all times necessary and unavoidable. Many Indian businessmen were playing a complex and ambiguous game with the authorities, cooperating and opposing at the same time."

However, as far as the bourgeois leadership was concerned, it represented the general interests of the class, and in that sense its collaboration with the government was determined not so much by its dependence (which in fact it was) on the government, but by the fact that this section recognised quite clearly the capitalist character of the existing state, and saw its own interest in the preservation of those aspects of the state which potentially

favoured its own development. The top section of the Indian capitalist class differed among themselves in terms of the method by which the strategy of the class, evolved through a long drawn out process, could be imposed over the heads of the nationalist leadership towards the achievement of the class hegemony. Except for the 'loyalists' of the Tata group and the Bombay Millowners etc., who because of the specific form of their development found themselves in close affinity with foreign capital and the colonial state, the bulk of the class, leadership, i.e., both the moderate nationalists like P. Thakurdas and Lala Shri Ram (who initially formed a part of the Birla camp but later moderated his attitude considerably towards the line of P. Thakurdas) and the aggressive nationalists like G. D. Birla—despite their minor differences in approach—agreed together on a common method of struggle for the establishment of the bourgeois nation-state. While P. Thakurdas—as we shall see—would often counterpose the strategy of the class to that of the Congress, and criticise the latter for its harmful effects, G. D. Birla, on the other hand, would focus his attention on winning over the Congress leadership through subtle methods, and working out the means by which the moderate and conservative wings of the Congress are consolidated and strengthened so that the bourgeois interests are advanced through the national movement—and even despite—it and the hegemony is gradually consolidated.

2. See note 9 to Section 4.2.
3. See note 10 to section 4.2.
4. See note 12 to Section 4.2.
5. See note 11 to section 4.2.
Right from the early 1920s we find Purshotamdas Thakurdas firmly mobilizing the class to oppose the non-cooperation movement of the Congress, and to work out its own strategy of cooperating with the government as far as possible and agitate only when it was absolutely necessary. He himself worked out the strategy that would bring the best results for the bourgeoisie: maximum utilisation of the available reforms for the gradual strengthening of the class by taking help of the limited powers made available through the Councils, and through other forms of cooperation with the government. P. Thakurdas wrote:

"It is true that whatever powers are being given now are given with a few strings attached to them. It is also true that many feel that such powers would not satisfy the just aspirations of India. But it has to be recognised that increased powers from any Government could only come by stages, and nobody can assert that this instalment coming after the Morley-Minto Reforms is either too much delayed or so niggardly as to be absolutely rejected. I would like to point out to the public at large what immense fields of activity await them in the new Councils where first-rate ministers with genuine substantial cooperation with them by the Councils are capable of bringing about unforeseen good to the Country as a whole."

And he listed out a whole range of spheres in which the governmental power could be used to increase the productivity of labour and hence the profitability of capital invested. As P. Thakurdas understood it clearly, the immediate aim of the class was the expansion of its own basis of existence and growth. If the conditions of profitability could be improved within the system

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6. P. Thakurdas's note on non-cooperation movement for a speech(?) see P.T. papers, file 24, pt. II.
77. Ibid.
8. Ibid.
itself under the reforms granted by the government, then bourgeois pragmatic rationality demanded that full use be made of it. Although the ultimate class goal is important, one could not jump into it insofar as the class has a long way to go to gain strength adequate enough for the final goal. The tactics to be adopted had to be judged both from the standpoint of the long-term and the short-term interests of the class. The criteria of such judgment, as far as P. Thakurdas was concerned, were whether such actions were "reasonable", "business-like", "wise" and "desirable". He argued:

"If the best abilities of the country try to do the best with the system, there will be time enough ten years later to agitate and press for the final step being taken at once. But the pity of it is that Mr Gandhi and his followers would have nothing to do with the new regime; they refuse not only to work it but even allow others to do so; aye, they almost propose to carry on a mission asking people to block and otherwise handicap the new regime. The question is, is this reasonable? Is it business-like? Is it wise? Is it desirable?" 9

Forms of extremist agitation were perhaps:

"Justified and tolerable as long as India's voice in her Government was next to nil. With a change in this system of Government is it not incumbent upon all well-wishers of the country to try and show best possible results with what is now available to them and then demand more powers even though before the period fixed by Great Britain." 10

The avowed philosophy of capital was pragmatism. The first consideration in the struggle, therefore, was to gradually strengthen the economic basis of the class before the ultimate goal was posed as a concrete immediate task. With a weak economic

9. Ibid.
10. Ibid.
base, a strategy of all-or-nothing obviously could not be accepted by the bourgeois leadership. Given these considerations, the class could advance its interests only through cooperation with the government on the reforms. Thus, "the Non-cooperation movement is unfeasible and most undesirable", wrote P. Thakurdas. 11

"Again my own outlook is that the non-cooperation fad will take roots over to feeably. The only way to fight it is that the responsible section having a stake in the country buck up and educate the masses against it." 12

The other danger of the non-cooperation movement from the bourgeois standpoint, as P. Thakurdas saw it as early as 1920, was that the masses were getting infected with the extremist method of non-cooperation, and that was a challenge to the interests of the business class:

the businessmen "do not share the view that non-cooperation is feasible or even desirable. But the masses are getting infected with the extreme views and that is the pity." 13

While expressing dissatisfaction over the fact that the spread of the non-cooperation movement among the masses meant a loss for the immediate interests of the class, he was also conscious of the fact that the class itself did not have any alternate channel of communicating to the masses whereby it could campaign in favour of the reforms and against the non-cooperation movement. Feeling strongly about the need for a well organised political propaganda, P. Thakurdas wrote:

11. Note by P. Thakurdas on non-cooperation movement for a speech (?), P.I. Papers, file 24, pt. III.
12. Ibid.
13. P. Thakurdas to Sir Henry, 14 September 1920, P.I. Papers, file 24, Pt. II.
"The commercial community are not at all organised for a political party propaganda work. A few (like me) who feel keenly on the subject and wish the said class to express their opinion boldly and fearlessly get told that the Government of India are listless and will not attend even to genuine and apparent grievances of the Commercial community, e.g. the continuation of the Reverse Council Bills despite the strong protest of the Indian Commercial Community. The result unfortunately, is that, the class that differ from the Gandhi-creed tolerate the said creed without acting up to it."\(^{14}\)

While on the one hand, P. Thakurdas called upon the members of class to organise themselves for propaganda work and campaign actively against the non-cooperation movement among the masses, at the same time he spared no pains to assure the government, at every opportune time,

"that the responsible section having a stake in the country is not yet in sympathy with Mr Gandhi's creed. Inspite of all that floats on the surface this section is still correctly conservative."\(^{15}\)

In other words, he clarified that the radical posture of a section of the capitalist class was merely for the purpose of establishing hegemony over the national movement, whereas in its inner content the class remained "correctly conservative", i.e., sought the cooperation of the Government for its own growth and strengthening in a pragmatic business-like manner. Elaborating the means by which the collaboration with the Government could be effected, P. Thakurdas declared, in his famous speech in Surat,

\(^{14}\) Ibid.
\(^{15}\) P. Thakurdas to Sir Thomas, 28 October 1920, P.T. Papers, File 24, Pt. II.
"People are fond of asking short questions nowadays. The one is, 'cooperate with whom?' I would reply cooperate with your elected members in the Councils, by means of the Indian tax payers' money, for the solid, sure and substantial advancement of India."

The immediate aim of the class should be its own strengthening with the help of the governmental machinery: "we must, as of right utilise the machinery of the Government, such as it may be and improve and otherwise overhaul it."

In 1922 we find P. Thakurdas signing a memorandum along with Malaviya, Ambalal Sarabhai and others against the Civil Disobedience Movement, in the name of "the large section of the public, which is proposed to forced marches in politics":

"It... behoves us all, both the Government and the people, to strain every nerve to see that Civil Disobedience is not resorted to, until at least it is far more obvious than at present that the resources of reason and statesmanship have been exhausted."

The memorandum also blamed the Government policies for alienating the sympathies of the public against the Civil Disobedience Movement.

And after the Bombay communal riots, when Gandhi asked P. Thakurdas to speak at a meeting of representatives of various communities to bring about communal harmony, the latter blasted out at Gandhi.

"Do people of my class, either Hindus, Parsis or Mohammedans, need any sort of fraternisation at this stage? Have they fallen out or is it the other class that has fallen out and which requires to be brought together?"

17. Ibid.
19. Ibid.
It was not the capitalist class but the educated middle class which under the Gandhian method of agitation created indiscipline leading to the communal riots:

"Instead of the uneducated masses, it was the educated non-cooperators who required to be taught the great value of discipline, for ever since the non-cooperation movement had started it was this class that had greatly hampered even an honest and straight hearing to those who different from their political views."

Elaborating "the great discipline observed...by everybody in the maintenance of their social, commercial, industrial and political institutions" in Europe, P. Thakurdas asked Gandhi to teach the value of discipline to his own disciples first, before embarking on teaching discipline to others. And Gandhi was constrained to admit that his method had in fact created indiscipline among the masses, that he had "overestimated the forebearance of the people", and that "he felt almost ashamed of what had taken place and that he had been trying to make penance for it by starving himself."

Consequently, on many instances Gandhi would call off the agitation, resort to fasting, entrust the task of satyagraha only to selected followers etc. which in many ways compromised the radicalism of the national movement with the passive tactics of struggle of the pragmatic bourgeoisie.

22. Ibid.
23. Ibid.
24. Ibid; see also Birla's notes on his talks with Gandhi, sent to P. Thakurdas, which the latter in turn sent to the Viceroy for information; January 11, 1941, P.T. Papers, File 177. Besides, there were occasions like the Chauri Chaura incident when Gandhi would withdraw the agitation to check its militancy.
Throughout the 1930s, the strategy of the capitalist class consisted in trying with all possible means to gain substantial concessions for the immediate needs of the class even at the cost of slowing down the tempo of gains in the political front.25 The aim was to gradually strengthen the basis of the class before it was prepared to ask for a showdown. And this could be done only by bringing about a compromise between the Government and the Congress leadership. Therefore, throughout the negotiations leading to the Reforms of 1935 in which P. Thakurdas and G. D. Birla took a very leading part, the aim of the bourgeois leadership was to persuade the congress to give concessions on long term political demands so long as its own immediate class demands were granted.26 From the beginning of the Civil Disobedience Movement, G. D. Birla was sure that he would be able to persuade the Congress leadership not to be obstinate on questions like the right of secession. Reporting his conversation with Motilal Nehru, he wrote to P. Thakurdas, "There is much in what he said but it appeared to me that when proper time came for a settlement he would not insist on impossible terms."27 Of course, it would not be that easy to

25. See the correspondence between G. D. Birla and P. Thakurdas on the R.T.C negotiations in the early 1930s in P.T. Papers, File 42, Pt. File 42, Pt. VII (esp. G. D. Birla to P. Thakurdas, 16 January 1931; 28 November 1930). See also Birla, In the Shadow of Mahatma...

26. Ibid.

27. G. D. Birla to P. Thakurdas, 28 November 1930, P.T. Papers, File 42, Pt. VII.
persuade the Congress leadership as a whole for a compromise, especially on matters of long term goals of the national movement. And it took enormous efforts and struggle before Congress could agree to participate in the Government in 1936-37. But what is of concern here is the attitude of the bourgeois leadership towards its own long-term goals, and the way it would seek to define the relationship between the long-term and short-term goals. As far as P. Thakurdas was concerned, he was so much eager to bring about a compromise with the British that he had to be censured by the younger elements of the FICCI general body and forbidden to attend the Round Table Conference even in his own personal capacity. Even G. D. Birla cautioned him for not being tactful enough in matters of showing leniency towards the Government in the negotiations. Pointing out that what had been offered was not enough and that the opportune time had not come for striking a deal G. D. Birla wrote to P. Thakurdas:

"Regarding the present agitation and the results of the Round Table Conference, I agree that we should try our best to get the country out of the present political turmoil. But I do not see my way clear so far. There could be no doubt that we are being offered at present is entirely due to Gandhiji. Even the papers in America and the Continent have confessed this and cartoons are being published depicting Mahatmaji hovering like a ghost around the Westminster.

This leads one to the conclusion that if we are to achieve what we desire, the present movement should not be allowed to slacken. We should, therefore, have two objects in view: one is that we should jump in at the most opportune time to try for a conciliation and the other is that we should not do anything which might weaken the hands of those through whose efforts we have arrived at this stage. Now the question arises whether the opportune time for our intervention has come, but I am afraid so far I do not see signs of same. What is it that we have been offered so far?

Enlisting the whole lot of offers and the real implications of them, showing that they basically amounted to nothing much in practice, G. D. Birla wrote,

"It is better that we achieved peace after sometime than that we should achieve a patched truce. I would, therefore, ask you not to reduce our demand in our anxiety to bring about peace, whatever terms are offered should be tested on one point alone, i.e., whether with the powers offered we would be able to increase the productivity and prosperity of the country or not." 31

In other words, whether the powers enabled the bourgeoisie to expand and strengthen itself through rapid industrialisation and increased productivity of labour. Whereas P. Thakurdas had been criticising the negative impact of the nationalist agitation crossing its limits, G. D. Birla was accrediting the agitation for the limited gains it had brought about. But both agreed on one point, the nationalist agitation was to be used only for obtaining economic and financial concessions from the Government and as soon as substantial demands were granted that would enable

30. Ibid.
31. Ibid.
the class to expand and strengthen itself, they must do their best to see to it that the agitation did not adversely affect the working of these concessions. In the given case, as soon as the opportune time had come, Birla himself went to London in 1935 to lobby for a compromise, and put sufficient pressure on Gandhi to believe in the British assurances that they really meant business.\(^\text{32}\)

At the same time, he would work out a method to strengthen the conservative wing of the Congress, e.g., Gandhi, Patel, Rajaji, Rajendra Prasad etc., so as to control the socialists who might work against a compromise.\(^\text{33}\) The Reforms of 1935 and the subsequent installation of Congress in power in 1937 brought home the fact that it was possible to manoeuvre the Congress leadership to act on the lines laid down by the capitalist class in its own interests. In 1938 the President of Indian Chamber of Commerce noted with satisfaction that the existence of Congress ministries in seven provinces had created encouraging conditions for the growth of Indian capitalism.\(^\text{34}\) Of course, at the outbreak of the World War II the Congress ministries resigned, bringing in much discomfort to the bourgeoisie who thoroughly missed those two years. But the fact had become clear that, from the standpoint of the bourgeoisie, the transformation of the colonial

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\(^{32}\) See note 25 above, see also Joshi, Arun, op.cit, pp.200ff.

\(^{33}\) Birla, In the Shadow of Mahatma, p.164f.

state into a nation-state had to be brought about only through a gradual and protracted process of struggle, a process through which the class would strengthen and mature itself leading to the ultimate transfer of power as a conditional compromise. Expressing his satisfaction over the strategy, G. D. Birla already wrote in 1932:

"In a way I am glad that we would not get what we want before we are fully prepared, and this period of strife, agitation and all that follows is preparing us for real liberty. I feel that every day we are getting nearer to it. We will not realise it until we have taken the last step to the goal, but if you analyse the position you will see that even when we appear to be at a great distance from our goal we are marching ahead daily and shortening the distance."35

What mattered most for the bourgeoisie was not independence per se, but the development and maturity of the class to play a hegemonic role in it. The bourgeoisie, therefore, was keen on giving the first priority to actions which would lead to the expansion of its own base. Thus once the second world war started, the class sought to make the best out of it. Despite the fact that Congress had already resigned from the Government, and, therefore, the expectations from the Government,

35. G. D. Birla to P. Thakurdes, 11 July 1932, P. T. Papers, File 42, Pt. VI.
would have to be much less than if Congress were in power, the bourgeois leadership found it satisfying to emphasize the useful function of collaboration with the Government. Satisfied with the virtual suspension of the nationalist agitation P. Thakurdas would note in a public meeting in 1940:

"The Indian National Congress, though not actively cooperating with the Government in the manner it would have liked to, has done nothing in any way to obstruct or slacken the pace of nature of the help that India can give." 36

As late as 1941, in the thick of the second world war and barely a year before the Quit India Movement, we find G. D. Birla expressing satisfaction over that he interprets as the passivity of the national movement. After a discussion with Gandhi he would write:

"I gathered an impression that he definitely wants to minimise any embarrassment that may be caused by his movement... Was Satyagraha not a blessing in disguise? Was Gandhiji, by starting restricted Satyagraha, saving Government from greater embarrassment and at the same time registering his own protest? Who knows? The issue for Satyagraha is again confined to a narrow issue, viz. freedom of speech and not the constitutional issue. This again seems to be a wise move since it is a point comparatively easier of solution." 37

37. See Birla's notes on his talks with Gandhi on 18th and 19th December 1940 sent to P. Thakurdas, which the latter sent to the Viceroy on 11 January 1941 for information, P. I. Papers, File 177.
Within the given situation, the best tactics for the bourgeoisie was to consolidate its position with whatever was available from the Government. As Birla made it clear, the main immediate aim of the movement was not to embarrass the government but to win whatever concessions the state was forced to grant under the war conditions. In fact, he felt the need for bringing about a much greater level of personal relation between the Congress leaders and the British rulers to facilitate a constitutional compromise, and he was happy that Gandhi also felt that a much more personal relationship between the two parties was needed.

As the second world war was drawing to a close, the bourgeoisie had gained enough strength and confidence to concretise its class hegemony into a programme for capitalist social development. As it was getting more and more clear that the British would have to grant independence to India soon after the war, the bourgeoisie got on to mobilise all the resources at its disposal for translating its hegemony over the society and over the national movement into clear laws and policies, and for positing them in the form of the emerging nation-state.

38. Ibid.
39. Ibid.
40. On the war profits see Tables 5.1a and 5.1b. The fact that the bourgeoisie was still not satisfied with the growth it made (see e.g. G. D. Birla's "India's War Prosperity — the myth exploded", 1941) was another matter. Also see Chapter 5.