

HERALDING A NEW EPOCH

This article was contributed to the book *A Study of Nehru* published by the Times of India on the occasion of Shri Jawaharlal Nehru's 70th birthday on 14 November 1959.

1. To speak of Nehru as a planner, one has to go back thirty years. In May 1929, the All-India Congress Committee passed a resolution stating that "in order to remove the poverty and misery of the Indian people and to ameliorate the condition of the masses, it is essential to make revolutionary changes in the present economic and social structure of society and to remove gross inequalities." This was not acceptance of socialism but indicated an approval of the "socialistic approach".

2. In March 1931, the Congress at its Karachi session passed an important resolution on fundamental rights and its economic programme in which, among other things, a clear statement was made to the effect that "the State shall own or control key industries and services, mineral resources, railways, waterways, shipping and other means of transport." The Congress continued to give strong support to the *swadeshi* movement and in the election manifesto issued in August 1936, put great emphasis on agrarian reform and the improvement of the condition of industrial workers.

3. This was a time of rapid changes outside India. For the first time, economic planning at a national level had started in the U.S.S.R. in 1927, which must have created a strong impression on Nehru at the time of his first visit to Moscow in 1927. On the other hand, a fascist government had been established in Italy in the middle twenties and a nazi government in Germany in the early thirties. It was a time of conflicting movements which found expression in the civil war in Spain.

4. These developments exercised a powerful influence on political thought in India. Events in the U.S.S.R. gave new meaning and significance to the socialist movement and this was reflected in the emergence of an influential group of socialists even within the Congress. At the same time, the record of spectacular achievements of the nazi government of Germany and the fascist government of Italy gave rise to growing interest in and a lurking admiration for the political economy of fascism in certain quarters. Jawaharlal Nehru was deeply conscious of the dangers of following the path of fascism, notwithstanding its transitory gains, and it was his constant endeavour to direct political and economic thinking in India along the channels of integrated national planning on socialist lines as suited to the needs and genius of the Indian people.

5. The Congress won the elections in India in 1936 and formed Congress Governments in most of the provinces. On the initiative of the Congress President, a conference of Ministers of Industries was convened in Delhi in October 1938 which was of the opinion that "the problems of poverty and unemployment, of national

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defence, and the economic regeneration in general cannot be solved without industrialisation." And, on its recommendation, the National Planning Committee, with Jawaharlal Nehru as chairman, was set up by the Congress President in October 1938. This gave a decisive turn to thinking on economic problems in India.

6. It is well known that the intellectual lead had come from Nehru. In the midst of his political activities, he gave a great deal of time to the work of the National Planning Committee. Between December 1938 and September 1940, he presided over seventy-one of a total of seventy-two meetings of the Committee, had informal meetings with secretaries of sub-committees and issued notes and instructions for the guidance of the members. In his very first note of December 21, 1938, he clarified the Congress policy regarding industries. Referring to resolutions of the Working Committee and the Congress he pointed out that although the Congress desired actively to support cottage and village industries, it had never made any decision against large-scale industries. It was not only open to the National Planning Committee to consider the whole question of large-scale industries in India but it would be failing in its duty if it did not do so. He said, "There can be no planning if such planning does not include big industries, but in making our plans, we have to remember the basic Congress policy of encouraging cottage industries."

7. In a memorandum dated 4 June, 1939, he quoted the Karachi resolution of 1931 that "the organisation of economic life must conform to the principle of justice to the end that it may secure a decent standard of living" and stressed that a plan of national development must cover all branches of material and cultural life of the people, each part of the comprehensive programme fitting into the others.

8. He was quite conscious that national independence was an indispensable preliminary for the implementation of a plan of this kind. But he had the vision to get ready for the future of a free India, without however relaxing for a moment from involvement with constructive efforts under existing circumstances.

9. It was impossible for him to think of India's problems in isolation from the rest of the world and he pointed out: "It is possible that in the event of the formation of a world union of free and equal nations, this sovereign authority might be voluntarily limited to some extent by each component unit in the interests of world planning and co-operation. But such development would not come in the way of national planning. If it takes place on right lines, it might even help planning within a nation."

10. When war broke out in Europe, he decided that the work of the Committee must nevertheless continue and emphasised its educative value in these words: "The National Planning Committee itself represents many viewpoints, and while we must endeavour to bring them together and agree as far as possible, the possibility of disagreement need not frighten us. A discussion of these different approaches and points of disagreement will be helpful to us as well as, later on, to the public at large. This in itself has importance as the ultimate policy of the State will necessarily depend on public opinion, and the more informed this public opinion is the better it will be for us. It may be desirable, when our report stage arrives, to consider fully these differing viewpoints."

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11. The aim was to build a free and democratic state in which the fundamental rights of the individual and the group — political, economic, social and cultural — would be guaranteed. The State would be progressive and would utilise all scientific and other knowledge for the advancement of the people as a whole, and for the promotion of their happiness and their material as well as cultural and spiritual well-being. It would not permit the exploitation of the community by individuals or groups to the disadvantage of the former and to the injury of the nation as a whole. To realise the social objective the State must plan and co-ordinate the various activities of the nation so as to avoid waste and conflict and attain the maximum results.

12. The principle of state ownership or control over key industries and services, minerals, public transport and defence industries was clearly accepted with possibility of extension to all public utilities and large-scale industries; but there was no general programme of nationalisation of existing industries and it was recommended that fair compensation should be paid if a private enterprise is taken over. The cottage industries were to be encouraged and protected, and competition prevented from large-scale industries. Planning was to deal with production, distribution, consumption, trade, social services, income and investment and other forms of national activity which act and react on each other. Big decisions were thus taken, in principle, in 1940, which are now influencing action.

13. I had known Nehru socially for many years and met him several times when he came to see Rabindranath Tagore. But it was in early 1940 that I had my first contact with him in matters of planning. He had heard of my interest in statistics and, realising that statistics would be required for planning, had asked me to let him know if I ever happened to be in Allahabad. A little later, I spent one day with him in his Allahabad home when I had gone there to attend a committee meeting. We were both busy during the day. After the day's work was over, we started talking and after dinner we sat up till after two in the morning. He said that he was afraid he was still rather in a minority in Congress circles and it seemed to him sometimes that the Planning Committee had been set up as if only to humour him.

14. Sixteen final and ten interim reports were considered and tentative resolutions taken by the National Planning Committee in September 1940. A little later Nehru was arrested and further action was suspended. It was, therefore, not possible to co-ordinate and integrate the separate decisions into a comprehensive national plan. In the next few years, some of the leading industrialists became convinced of the need for planning and took the initiative in preparing "a plan of economic development for India", which was published early in 1944 and is often called the "Bombay Plan".

15. Much had happened in India and the whole world by the time Nehru was released in June 1945. At the session of the National Planning Committee held in September 1945 it was considered necessary to prepare a factual statement of the changes that had taken place in the country and outside, and their effect on any scheme of planned economy to review the previous recommendations "to speed up

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production and organise distribution in such a way as to bring about a maximum increase in the standard of living within a minimum period of time". The Committee gave detailed consideration to food, clothing and housing, and emphasised the important role of cottage industries in regard to consumer goods and employment. It also emphasised the need for a rapid expansion of the social services, public health, education, public utilities, and social and cultural amenities. By 1945 there had been great progress in the thinking on a planned economy in India.

16. In September 1946, the "Interim Government" was formed and Nehru immediately set up a planning advisory board for a rapid review of the projects which had been prepared by various government departments and the report of the board was submitted in December 1946.

17. Then came independence in August 1947 and Jawaharlal Nehru became Prime Minister. Although the country was in the midst of the difficulties caused by partition, Hindu-Muslim tension and the influx of refugees, one of his first tasks was to have an economic programme committee with himself as chairman appointed by the Congress in November.

18. The A.I.C.C. stated in a resolution : "Political independence having been achieved, the Congress must address itself to the next great task, namely, the establishment of real democracy in the country and a society based on social justice and equality. Such a society must provide every man and woman with equality of opportunity and freedom to work for the unfettered development of his or her personality. This can be realised only when democracy extends from the political to the social and economic spheres. Democracy in the modern age necessitates planned central direction as well as decentralisation of political and economic power in so far as this is compatible with the safety of the community as a whole. Our aim should be to evolve a political system which will combine efficiency of administration with individual liberty, and an economic structure which will yield maximum production without the operation of private monopolies and the concentration of wealth, and which will create a proper balance between urban and rural economies. Such a social structure can provide an alternative to the acquisitive economy of private capitalism and the regimentation of a totalitarian state."

19. This is how the principle of a middle way in economic development came to be formulated. The economic programme committee submitted its report on 25 January, 1948, and together with many detailed proposals, recommended the appointment of a permanent Planning Commission. At first Nehru's idea was to keep out of it but, when the Commission was established in 1950, he was persuaded to become its chairman. This was a wise decision as little progress would have been possible in strategic issues without his leadership and guidance.

20. The First Five-Year Plan (1951-52 to 1955-56) was based broadly on the projects which had been already prepared and some of which like the Damodar Valley Corporation and the Chittaranjan Locomotive Factory had actually started. The

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emphasis was on agriculture and there was little or no provision for basic industries. India was producing at that time only about one million tons of steel, although the country had the largest reserves of high quality iron-ore in the whole world. A provisional decision had been made for the installation of a second million-ton steel plant but this was dropped. An acute shortage of steel, however, soon developed and the Prime Minister became convinced of the urgent need for increasing the production of steel and necessary action began to be taken from 1953-54.

21. It became increasingly clear that the outlook of planning must have a wide time-horizon of fifteen or twenty years or more. After a full discussion in the Planning Commission in September 1954 on long-term objectives, it was decided that the aim must be to lay sound foundations for a continuing increase in the level of national income and the level of living to get rid of the fear of unemployment (if possible, in ten years), and to bring about increasing equality of opportunities and the lessening of great disparities of income and wealth.

22. Nehru initiated the joint studies by the Planning Commission, the Finance Ministry and the Indian Statistical Institute, which led to the formulation of a draft Plan-frame in early 1955. There was a new approach. Emphasis was to be placed on the rapid development of heavy machine building, heavy electricals, steel and non-ferrous metals, and energy to supply a sound foundation for economic self-reliance. Attention would also be given to the required expansion of consumer goods, as much as possible through cottage and village industries, which would create a great deal of additional employment. There was greater appreciation of the close interlocking of progress in industry and agriculture. Industrial development was essential to provide an increasing supply of fertilisers, pesticides, machinery and equipment for agriculture, irrigation, drainage and land improvement. An increase of agricultural production was essential to supply additional food and raw materials for industrial progress. There was need for increasing the supply of scientific and technical personnel and expanding facilities for training them. Nehru gave strong support to the basic policy and to the proposal of having a Plan with an outlay in the public sector of about Rs. 4,500 crores in five years or something roughly double the size of the First Five-Year Plan. The fundamental change of outlook in the Second Five-Year Plan could take place once because of the lead given by Nehru.

23. In scientific matters, Nehru's leadership has been very clear and definite. He has always been taking a keen interest in scientific research and the progress of science and technology in general. It was due to his personal interest that a large number of national laboratories have come into existence and large resources have been made available for the development of atomic energy and the exploration and exploitation of oil and minerals in the public sector. His intervention was decisive in the acceptance of the decimal coinage and the metric system. It was again because of his leadership that increasing attention is being given to the training and expansion of scientific and technical manpower.

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24. The functions of the Planning Commission have never been quite clear. Its recommendations are advisory in character and important policy decisions have to be made, quite properly, by the Central Cabinet. At the same time, the Planning Commission gradually acquired the responsibility of examining a large mass of detailed schemes and projects and of giving or withholding its approval. It is not possible for the Prime Minister to attend to these details as the Chairman of the Commission. It, therefore, became necessary to create the post of a Deputy Chairman to look after the detailed work. The situation being what it is, this has been a convenient arrangement. It has left the Chairman free to concentrate on strategic issues.

25. This is a task which suits Nehru. He has a full appreciation of the scientific revolution which is transforming the world. The content of science changes every day. The spirit of inquiry and the search for truth give science its enduring value. Nehru realises that continuing economic and national development in India would be possible only through the advancement of science and technology. He attaches equal importance to human values and art, literature, music and such other things. This makes it possible for him to take a view peculiarly suited to Indian needs and traditions. His aloofness from details has served to preserve an openness of mind and the ability to take a broad view of the problems.

26. The Nehru approach to planning may, perhaps, be called the middle way. It is an attempt to achieve rapid economic progress in a manner in which political and economic democracy would be reconciled. He has great faith in persuasion which stems from his sense of democracy. In his speeches on planning, one can continually feel how he is trying to present the whole case, both for and against, hiding nothing. Sometimes, one gets the impression as if he is thinking aloud and trying to get a balanced view of the whole matter. In discussions also, he tries to understand and appreciate the opposite points of view. In important matters, he always tries to reach an agreed solution. If differences of opinion persist, he will adjourn the meeting and resume the discussion another day rather than reach a quick decision. Sometimes, it seems as if the educative process itself is of supreme importance to him, that is, as if the meeting of minds is more important than the decision itself.

27. This is why he is extremely reluctant to use his personal influence in any way. Persuasion must be achieved through the right way of thinking and not by personal pressure. He does, of course, have individual discussions from time to time but these are also kept at an impersonal level. This partly explains the fact that he has never built up a group of his own men, so to say, in any committee or organisation. As the leader of the ruling party he is obliged, of course, to use the party majority in Parliament, but even this he does, I should think, from a conviction that he enjoys the confidence of the people of India. In fact the bigger the group with which he is discussing a proposal, the greater is his confidence of being able to carry conviction to them.

28. Nehru has strong convictions regarding aims and objectives and firm faith that the right way would ultimately prevail. His attitude of mind is, therefore,

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essentially constructive and he would always like to do whatever may be possible in existing circumstances. That is why in 1940 in the midst of all the uncertainties of war and rapidly deteriorating political conditions in India, he could proceed with the task of national planning with supreme confidence. He does not believe that it is ever possible to have or start with a "clean slate". One must make the best use of whatever is available. This leads to what is sometimes called "compromise". It does not matter what it is called, but it is important to recognise that there is no surrender of basic aims or values but only an attempt to make the best possible advance under existing circumstances instead of standing still, waiting for more favourable conditions.

29. His flexibility of approach can be easily appreciated, for example, by his attitude to foreign aid. In the National Planning Committee, he had taken a strong stand against foreign capital because it meant alien influence in economic affairs. Now that India is independent, he would have no objection to foreign loans provided these are intended to assist economic development and are given in a form which would not give rise to any foreign influence in Indian affairs. Consistent with the Nehru policy in international affairs, he would welcome such economic aid from all friendly countries. What of the future? Before answering this question it would be useful to classify problems of planning, or rather of implementation, into two classes: one, which may be called the "concentrated" sector, in which decisions can be made by a small group of persons and can also be implemented by a small group of persons and the other, which may be called the "diffused" sector, in which the implementation would depend on the concurrence and participation of a very large number, may be hundreds of millions of persons. A typical example in the concentrated sector is establishing a million-ton steel plant and in the diffused sector, organising village co-operatives. This is an oversimplification, but it is a convenient classification to understand the present situation in India.

30. The Prime Minister has been generally more effective in decisions in planning in the concentrated sector, for example, in regard to industrialisation. Very soon five million tons of steel would be produced in India every year and the production is likely to go up by ten or twelve million tons in another six or eight years. Heavy machine building, heavy electrical and other basic industries are being developed, and with a clear lead from the Prime Minister, more and more capital goods would be made in the country and would make Indian economy self-sufficient, self-reliant and self-accelerating. With increasing production of fertilisers, agricultural implements, machinery for irrigation, etc. the production of food and agricultural raw materials should also increase to keep pace with industrialisation.

31. In recent years, Nehru has started giving increasing emphasis on institutional changes and social reorganisation such as the development of village co-operatives, state trading, community development and family planning. There is urgent need for an equalisation of opportunities for education and care of health. All this falls in the diffused sector. Implementation would depend on the acceptance of

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the programme by the common people, and would have to be spread over the whole country or over large regions, and wise variations will have to be made to suit local needs and conditions. Nehru has been acting as a great teacher and educator to put across these ideas in a simple language and homely style to millions of the common people all over the country whom he meets in the course of his frequent and far-flung tours. He is also continually stressing the need for decentralisation and delegation of executive powers and responsibilities. This is where the position is still weak.

32. Most of all, there is need for greater coherence and unity of purpose in the whole social organisation. This is ultimately a question of growth, of wisdom and responsible awareness of the needs of the nation as a whole. This is what Nehru has called emotional integration without which a big country like India cannot hold together. Wider diffusion of education is necessary but cannot by itself guarantee social and political maturity. Administrative decentralisation is essential and much would depend on the extent to which this can be achieved in practice. There are many intangibles and it is difficult to speak with certainty.

33. Under the leadership of Nehru, India has made big advances. He initiated the thinking on planning in India. Through his speeches and through planning committees and the Planning Commission, he has exercised a profound educative influence and made India conscious of the need for national planning. Through the Congress Party and the Government, he has made planning an instrument of national policy on the biggest scale outside the communist countries, and has persuaded India to accept socialism as her goal. He has brought to Indian planning a full appreciation of the scientific revolution which is transforming the world, a sensitive awareness of human values and cultural traditions, an inherent sense of democracy and an international outlook.

34. One thing can be said with complete certainty. Jawaharlal Nehru has carried India into a new epoch. Whether there is a smooth transition or whether India has to pass through storms on her way to progress, it will be impossible to go back to a stagnant economy. Through his leadership, he has brought about profound changes in social and productive forces which will continue to influence the course of events in India in the most decisive way.