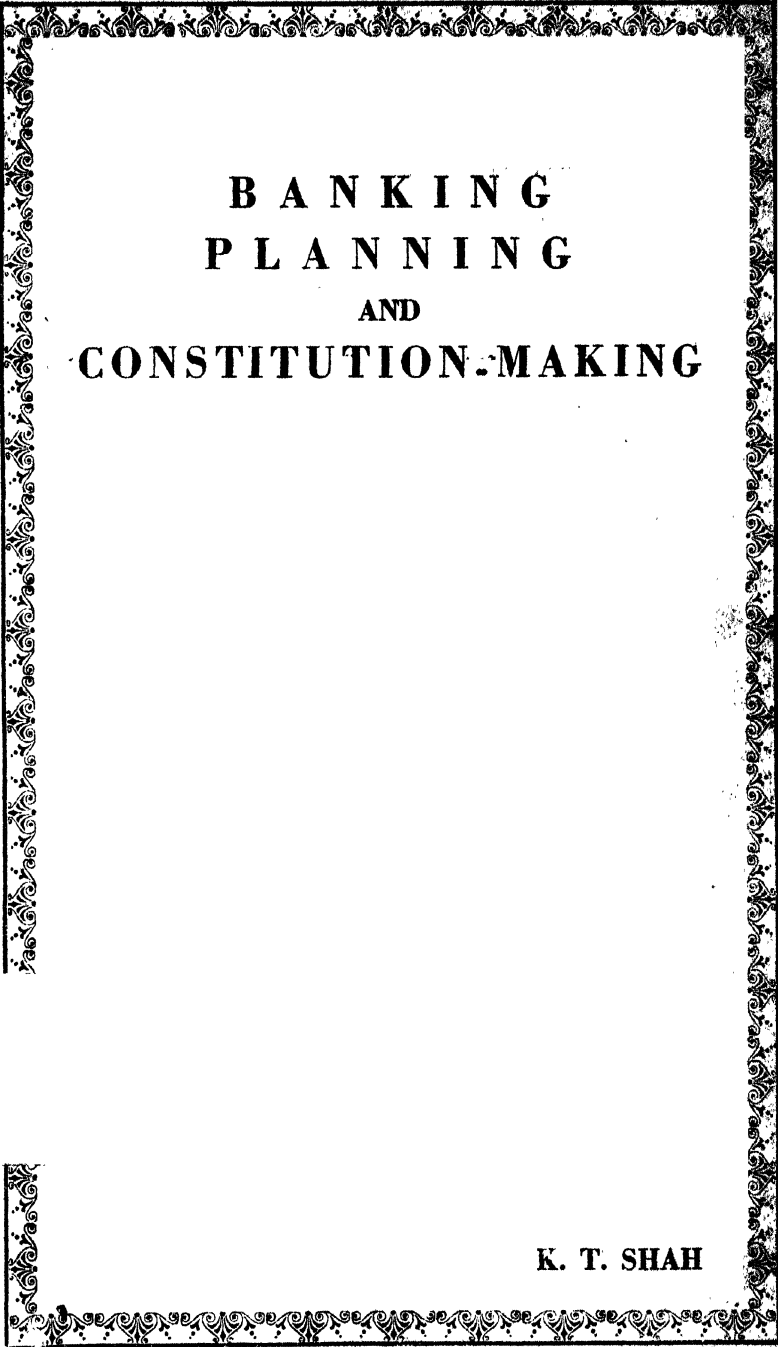


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**BANKING
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BANKING, PLANNING & CONSTITUTION-MAKING

(Three Addresses, delivered in January, 1949, Calcutta.)

By

K. T. SHAH

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To

MABEL PINTO

(A Tribute to an Earnest Worker)

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PREFACE.

The following pages contain the substance of three Addresses, delivered in Calcutta in the third week of January, 1949.

The first is the Presidential Address to the Annual Conference of the Imperial Bank of India Staff Associations; the second deals with the nature and scope of planning on a national scale; the third relates to certain salient features of the Draft Constitution.

The occasion in each case determines the nature, style, and substance of the Addresses. In the first two cases, they are, for all practical purposes, reproduction of the speeches already delivered. In the third case, that concerning the Draft Constitution, sudden developments, leading to rioting in Calcutta on the day the Address was scheduled to be delivered, made it impossible to give this address at a public meeting, as originally planned. Detailed notes, however, had been prepared in this, as in the other two cases, and it was the intention of the author to deliver the substance of the Address on those lines. In the present form, therefore, the Address, though not a reproduction of a speech actually delivered, nevertheless follows in the main those notes. Though not exhausting the entire Draft, the writer hopes this survey of the principal features of our proposed constitution, presented in this Address, will serve to place before the public the shortcomings under which we would have to labour in so far as the Draft is unamended on the lines indicated in the Address.

K. T. Shah.

Bombay, 1st Feb. 1949.

PRESIDENTIAL ADDRESS

To

THE CONFERENCE

of the

IMPERIAL BANK OF INDIA STAFF ASSOCIATIONS

(15th January, 1949)

I Apologia.

Comrades,

I regret I have been unable to provide a printed copy of the Address, whether for your records or for your study, at leisure. It was really impossible for me, for lack of time and other more pressing business, to prepare a formal Address in writing, even though I had sufficiently long notice of this Conference. It is not my practice, generally speaking, to deliver written addresses, for one thing because my eyes would not permit me to read the matter out, however good the light, with any appearance of delivering a speech. Cold print read out mechanically always lacks the soul; and so even if there were no other obstacles in my way, I would not prefer to deliver written or printed addresses. When one has to read with the matter close to one's eyes, one feels completely shut out from one's audience; and so loses more than half the effect intended to be conveyed.

Those of the audience, moreover, who may not be interested in the details or technicalities, inevitably included in such an Address, as would be appropriate for today's occasion, may feel bored and desirous of leaving, or at any rate, continually shift in their seats, which causes further disturbance to the rest of the meeting. I have, therefore, for many years past, made it a practice not to present written Addresses even though the occasion may be formal.

On the present occasion I had another reason for omitting to prepare a written Address, which I hope you will appreciate. Under present conditions, the subject matter of today's Address is constantly changing; and the change is not wholly imperceptible. There is, as you know, the Consolidated Banking Bill pending before the

Constituent Assembly (Legislative) of India. Even though the text of that Bill, so far published, does not contemplate any radical changes, or bring about a comprehensive reorganisation of Banking, with a new orientation in its outlook and a new **modus operandi**, it claims to be "consolidating and amending" legislation, which is presumed to affect the law and practice of the Banking System in India. Apart, however, from a few minor changes affecting the day-to-day conduct of a commercial Bank, the Bill makes no change in regard to the basic conception of the role of Banking in modern economy. There are ideas in the air which consider Banking as a Public Utility Service that would require complete socialisation of that service, as it is not for any section but for the community as a whole. There are other equally important points of substance relating to the nature and function of Banking, in which also there is no radical change attempted by this Bill. I shall speak of this in another section of this Address. Here it is enough to say that because of these impending changes, I did not think it desirable to give you a written address which may be out of date by the time the writing came to be read.

For your own particular Bank, the Imperial Bank of India continues to be an imperialist institution, in name as well as in working, though the Empire has ended. Promises have been made and assurances given by the authoritative Government spokesman, formally in the Assembly, for the nationalisation of this institution. As the chief commercial credit institution of the country, after the Reserve Bank of India had been nationalised, the socialisation of the Imperial Bank can no longer be deferred without grave prejudice to the national economy. I have, indeed, my own doubts regarding the Powers-That-Be fulfilling these assurances. But whether or not they carry out their pledges, the institution is on the eve of changing hands, so far as proprietorship is concerned.* The character of its work and aims of its being may also undergo radical changes. With such great changes taking place or impending, you will easily realise that any printed remarks, prepared days, if not weeks, in advance, run

* Since this Address was delivered, the Finance Minister of the Government of India has announced in the Dominion Parliament that the Imperial Bank of India would not be nationalised for another two years.

serious risk of becoming out-of-date at the moment they are uttered. I have accordingly considered it best, even if I had no other difficulties and disabilities referred to above, to present to you my thoughts on the subject as I go along, and not inflict upon you cold, lifeless print without spirit or drive.

We are, I hope, all agreed that Independent India would inaugurate a dynamic society, in which all organs of State or limbs of the body social will function so as to be progressive all together, and none remain static. However conservative vested interests like Bankers may be, with a dynamic background such as I am contemplating, they cannot afford to remain unmoving; and that even apart from formal proposals for change in law and custom. Because such changes are in my view inevitable, I think it desirable to avoid written speeches at such moments and on such topics.

Finally, if you would permit a lighter strain, after all, a printed address may be welcome to press reporters, who would find themselves spared all the trouble of taking down accurate notes from a fairly fast speaker. As, however, I am not inclined to encourage any unearned income by any body, class, or individual, I see no reason to follow the usual custom; I would, therefore, present my observations without the aid of printed material before me. I risk, no doubt, mis-reporting, mis-quotation, and mis-representation. But even at that risk, and because I am aware I am not likely to cast many pearls of wisdom before those of you who are seasoned bankers, I may as well minister to my own convenience as comply with the special conditions and circumstances I have just referred to.

II. Introduction.

Let me now take up the main theme of my address. When I was called upon by your President to take charge of this duty, I wondered what I would include and exclude from the Presidential Address. There is much that could be said on an occasion like this, but there is much also that may be avoided. The problem of selecting the theme of my Address is, therefore, not quite so easy. I do not wish to be merely didactic, and inflict upon you a lecture on the Nature and Functioning of Banking, or its role in a progressive National Economy. At the same time, in order to appreciate adequately the bearing of my observations

on the specific problems which interest you at the moment, some theoretical background is, I fear, indispensable. I shall, therefore, confine my remarks to four main topics; viz., (1) the real place and function of Banks and Banking in national economy; (2) Proposals now before the Indian Legislature for consolidation and amendment of the country's banking law; (3) Nationalisation of the Imperial Bank of India, and (4) role of the staff in the direction and management of the institution.

I have taken these topics, because I would not like this Address to be a series of mere platitudes that would lean on both sides, and try to be right under any conditions. If I address myself to the task, it should be on a clear background as understood by me, of the role of Banking in general, and of such an institution as the Imperial Bank in particular, in the working and development of our National Economy. I would at the same time desire that the workers, the real authors of the success of such an institution, should have a place on its Direction, Control and Management, which must be fully appreciated.

III. Place and Function of Banking in National Economy.

Banking has always been regarded by me as a Public Utility Service, which however new in this land in its modern form, is an ancient institution and practice from time immemorial. As originally evolved and worked, it was better fitted into our peculiar economic organisation than the modern model seems to be.

Banking.—A Public Utility Service.

While introducing the subject, I have spoken of the Definition including the nature and functions of Banking; and also referred to the factors or parties concerned in making it a success. As regards the former, it must be realised that Banking is a Public Utility Service, which is not merely indispensable for the modern economic structure; it is of vital importance in the development of a country's unknwn resources, and untried potentialities. For me who have been accustomed to taking a comprehensive view of the entire life of the country—material as well as cultural,—Banking has an importance, an integral role to perform, which cannot be exaggerated. You will, therefore indulge me I hope, a little if I dwell at further length on this aspect of the **Definition and Function of Banks.**

I have already stated that Banking is a Public Utility Service, vitally concerned with the allround development of National Economy. It is needed to facilitate commerce, or exchange between producers and consumers. I view banking in all its forms and operations as an integral part of the planned programme of all-round development of the actual resources and unknown potentialities of this country. Banking must, therefore, assist equally and actively on the Production as well as Distribution of all material commodities, utilities and services, and not intervene only at the point of transition, or in the act of exchange. It is unnecessary to go into the details of its role in Industry and in Agriculture, in Commerce as well as in the Utilities and Services, which collectively make up the country's National Economy. It is likewise unnecessary to explain before an audience of those directly interested in the working of Banks, the place of Exchange, of Credit, and of all the various forms in which Banks assist and forward this development.

A Public Utility Service in the hands of private profit-seekers is an anomaly, on which I need not dwell at any great length. But whether owned privately or collectively, its real function is to help in developing the resources of the country, and enabling it to realise its potentialities on the material plane. The commercial type of Banking commonly practised, denies or ignores this real function of banking. Our legislation dealing with Banks and Banking must, therefore, be framed with this objective, so that any provision that may be included in such laws or conventions should always help to promote the material prosperity of the country.

Banking—Mainly for Commercial Finance.

In this conception of the role and importance of Banking in the economic life of the country the Imperial Bank will necessarily hold an important place. It is a central institution dealing almost entirely in commercial credit, and has for years been the instrument for encouraging or restricting commerce, and thereby production, particularly within the country. You all know that the present Imperial Bank of India has grown out of the old Presidency Banks of Bombay, Calcutta, and Madras, which, though privately owned, profit seeking institutions, had almost from the beginning dealings in Currency Notes. It is now generally recognised to be the exclusive function of the country's

Government. But in the XIX century, it was an important part of the normal banking business, and so helped materially the ebb and flow of industrial prosperity and commercial expansion. The Presidency Banks' principal business was note-issue, though the issuing authority was Government. The Imperial Bank inherited this business, and took a more active share in developing it. With this tradition, and the further development in the manipulation of currency in circulation by means of the Cheque, this Bank has necessarily specialised in short-term commercial credit and liquid investment. It preferred exchange to production, and short term investment with rapid turnover and high profit to closer share in initiating or directing productive enterprise.

Banking and Foreign Exchange.

At the same time it has usually avoided dealing in Foreign Exchange, even though it provides a most considerable as well as profitable business. That business is, to our great regret, almost entirely and intentionally left in foreign hands even today, the so-called Exchange Banks with head offices outside India. The Imperial Bank of India does very little to help restore the balance, or secure any slice of that business for Indians even while it was backed by the Government of India. With the establishment of the Reserve Bank in 1934, the scope of business allowed to the Imperial Bank has considerably increased; but the capture of the foreign Exchanges still remains practically unattended to.

Banking and Development of National Economy.

Banking Business, however, as it is carried on in this country, whether in general, or with reference to the Imperial Bank of India, has yet to pursue its true role and purpose in the working and developing of our National Economy. Being primarily and predominantly concerned with Commercial Credit, Short-term Investment and rapid turnover, it steers almost entirely clear of Production Finance. That is to say, it does not help to develop Agriculture and other primary sources of Industry, all of which add material wealth to the country. This line of financing in reference to the productive side of our National Economy has had no chance of growth in this country because of the influence of the British model in banking which we have blindly copied. In Britain, however, financing of

Industries was done in other ways mainly by joint stock enterprise with limited liability. And though we have borrowed that device also, the links between Banks and productive enterprise have yet to be forged in this country. Both Agriculture and Industry suffer from lack of easy and adequate Credit facilities of initial as well as working capital that necessarily handicap full development.

I have already referred to the attempt now being made in the Legislature to consolidate and amend the Law relating to Banking. As you must have guessed already, it neither consolidates nor amends the Banking law or practice in this country. Its purpose is limited, its outlook is restricted, its objective is painfully narrow. This applies as much to other Banks as to the Imperial Bank of India; and unless the Legislature wakes up to the proper place and true functioning of Banks in general, it is unlikely the country will derive any substantial benefit or have a sound system of Banking.

Banks Economise Currency.

I shall, therefore, confine myself only to outlining the principal Functions of Banks so as to give a more correct perspective of the role of Banks in an over-all planned national economy. The most important of these functions in times recently past, was in regard to economising the actual use of money materially, by inventing and popularising substitutes which we now generally call Currency Notes. Banking seems in its historical origin, to have first begun as money lending. That aspect still remains the most important single item even in the latest banking designs and patterns. Soon after it started as money-lending, it also developed as money transferring machinery from place to place, or from country to country. For a comparatively small charge, the banker took all the risk of remitting large sums over long distances and across national barriers. Our **Hoondie** and the Western Bill of Exchange are essentially the same in origin as well as in operation. These documents or instruments were generally used as substitutes for ready money. Their increasing use and popularity led to the growth of other substitutes and so the Bank note as a medium of exchange came into circulation. It was based on the credit and wealth of the Bank who used it; and so the better the credit or resources of the issuing Bank the wider its circulation.

Before the advent of the Reserve Bank of India the Imperial Bank of India was particularly concerned with this once all important function of modern Western models; and before the Imperial Bank, its forerunners, the Presidency Banks, had also carried on that business. In the past many of the economic crises were, in the ultimate analysis, Credit Crises rather than industrial depressions or derangement or dislocation of the system of production, exchange and consumption.

The Banker, finding at his command an easy source of adding to his profit, went on issuing more notes than he could meet, if they were all presented for encashment at once. There was, of course, no law to restrain him, no legally prescribed proportion between the notes of a Bank in circulation and cash on hand. There was no condition or limitation on his investments, no security except his own resources in the event of a crisis. The Bank, therefore, while helping to economise metallic currency, brought in new risks upon itself. The Presidency Banks of India copied their model both in the function and in the crisis whenever it occurred; and so made it unavoidable for some form of legal restriction, Government supervision, and collective security for the convertibility of these notes.

At the present time, however, this particular function of Banks has been taken away. It has now become practically a monopoly of Governments who issue their own legal tender currency notes which are substitutes for metallic money, and guarantee, as far as circumstances permit, the convertibility of these substitutes into what may be called real money, from Government's general resources. Banks are still interested in the issue of Currency Notes, which may or may not be legal tender if they are used as Banks of Issue by the State. In that case they would also be concerned with the maintenance of the reserves against such Notes, and the manipulation of the total amounts in circulation from time to time. But even when Banks discharge this function, they are usually acting nowadays as agents of Government, if not as a directly State-owned mechanism for public use.

Banks and Deposit Currency.

Allied with this, and now becoming of increasing importance in countries where Banking still remains free

private enterprise, is the creation of what is called Deposit Currency. This comes into being as cheques issued on the strength of a client's deposits. They get into circulation virtually as money, even though not legal tender, in that section of the community which is accustomed to use documents or instruments, like cheques, bills of exchange, promissory notes, and the like. Banks are in a position nowadays, through this mechanism, to increase the total volume of money in circulation and so affect the price-level, by expanding or contracting the Credit of their customers, and ability to draw cheques. The total proportion of cheques in circulation in a country like Britain is approximately 99 per cent of the total money in daily use.

Though essentially still a free enterprise of Banks, wherever Banking has come under closer control and regulation by Government, this function has been particularly attended to, specially when such money-making institutions are in the hands of private profit seekers. Their power to expand or contract Credit and thereby affect the productive system must be regulated, and not left loose, so as to maintain stability of prices as near as may be, allowing for international complications which are so common a feature of the present age.

The use and instruments of Credit the Banks make or devise are not confined only to introducing deposit currency and manipulating its volume and use. Credit is essentially anticipated or future wealth, to be produced hereafter. Accordingly, it is a most useful mechanism for mobilising future wealth, and using that portion of it which may be regarded as unneeded surplus likely to be saved after meeting all wants, and so available for re-investment and continuation of the economic system.

Banks Stabilise Price-level.

It is nowadays a commonplace of economic doctrine and social viewpoint that Banks are such an important facility and convenience as to be extended as much as possible. The larger the number of Banks or Branches, and the wider they are spread out, the greater will be the service rendered to a larger public. The introduction of all the different forms or devices and instruments for avoiding the use of metallic money would also be the most considerable. Banks in India have only devised so far Cheques and Bills of Exchange, which may have some claim

to circulate as money, and add to the volume in circulation. That in its turn affects the price-level. Other forms, like Bearer Bonds or Debentures, Travellers' Cheque, the Giro System of Payments by book transfer, and the Postal Cheque have not yet become popular with our Banks. The service, therefore, that these institutions are able to render is not only restricted to commercial credit; it is limited in forms and variety. But the one condition of satisfactory and adequate service is a much wider diffusion throughout the country of Banks by a larger number of branches for each big Bank or, what personally I think much more desirable, a much larger number of Unit Banks operating in a given fairly limited area. This, too, remains to be achieved in India; and the Bill now before Parliament does not do anything to stimulate, extend and encourage such growth of Banks and Banking Business.

Banks having grown largely as institutions of commercial credit, at least in Western countries like Britain, Holland or the United States, their discharge of this function has lacked foresight, and adequate attention to the demands of a country's economy at a given stage. In fact, in this country the modern commercial Bank has steered studiously clear of what may be called productive enterprise whether in agriculture or industry,—except perhaps indirectly. The growth of Industries and the development of local and other sources of Production has been consequently neglected. Such progress as has been achieved in this direction is accomplished by capital invested by foreigners in the first instance, later on acquired by indigenous capital as and when it became conscious of the need for industrialisation and rationalised production. Essentially every indigenous industrialist of India is more a finance capitalist than an investor; and consequently a systematic and planned development of Industries with the aid of efficient Banks remains yet a desideratum.

Banks Mobilise and Employ Capital.

The most important function, however, of Banks and Banking, as I conceive the matter, is:—effective mobilisation and productive employment of capital for stimulating and expanding production. This is almost unknown in this country. The commercial bank run on the British model is not meant for that business. The industrial bank has not come, except for a single venture, some 25 years ago, the Tata Industrial Bank, which had within a brief

span to drop that business, and hand over its specific objective to a commercial bank. The recently instituted Industrial Finance Corporation by a special Statute of the Central Legislature has yet to evolve its own policy, and devise its plan of working. For agricultural and other primary production, the only Banking is that of the Co-operative Credit Society. But ever since its birth, this type of Bank has been working rather for liquidating the load of the cultivator's ancient debts than providing stimulus for new production.

In more risky ventures, like Industries connected with the equipment of Transport Services, or development of Mining, Forestry, Metallurgy, Chemicals, Power & Fuel Supply, as well as the small scale or cottage industries which account perhaps for half the industrial production in the country, organised and systematic supply of capital has yet to be devised. The usual excuse that capital is scarce or shy is the creation of interested parties, who had their own reasons to keep real indigenous investment capital off the field, or permit its investment in unproductive enterprise on terms and conditions which were almost prohibitive. The volume of capital available for productive investment in this country is unknown, and the sources untapped. Banks have not functioned in this direction so as to help tap these sources. Perhaps, therefore, the most important function of Banking remains still to be discharged.

A considerable portion of the responsibility for the characteristic of banking enterprise in India is due to the fact that it is still almost entirely in private hands. If we leave out the Reserve Bank of India which is a Government and a Bankers' Bank, hardly ever taking direct initiative in promoting enterprise; and excepting also the Agricultural Cooperative Credit Societies which, too, have their limitations in encouraging production of new wealth, there is no Bank in India which considers it its primary function to assist in such development. And there is no Central or National Authority that has yet seen fit to bring Banking within the span of a scientifically devised Plan applicable to the entire National Economy in all its stages and aspects as an integral item in the same.

IV. The Parties Concerned in the Success of Banking.

On this view of the nature and function of Banking and its role in our National Economy, let me briefly e

plain to you the parties concerned in the success of that business, and their contribution therein. Some of these I have already glanced at in passing. At the risk of some repetition, however, it is necessary to point out the several parties and the several ways in which they contribute to the success of Banks and Banking Business in a country.

The success, I may say in passing, of Banks is not measured by the size of the dividend, nor by the amount of deposits attracted, nor even by the Reserve Fund built up. If you agree with me in regarding Banks and Banking to be essential part of our National Economy, functioning in harmony with the other items or ingredients, you will find that Banking is necessary for all-round development of the National Economy. And in proportion as that economy is scientifically planned, and its various parts mutually coordinated, Banking must contribute its quota, both to Production and Distribution. In proportion, therefore, as the production machine goes on functioning smoothly and progressively; in proportion as the Services and Utilities, distribution and consumption of the national wealth are properly ensured, and promoted by the help of Banking, in that proportion must it be pronounced a success. In that proportion, too, the other indices of success which I have mentioned above, will be realised in a society dominated by individual enterprise and actuated by the profit motive.

According as you choose the measure of success in Banking, the contribution or importance of the several parties concerned with the working of it will, no doubt, vary. Take, for instance, the Proprietors. Under our present system the most considerable party presumed to be interested directly are the proprietors, whether individuals, partners, or shareholders. In actual practice, however, the shareholders have no contact with the policy or management of any joint stock company of which they are proprietors. In proportion as the shares are very numerous, management must necessarily become impersonal. In proportion as the shares are easily transferable and widely diffused, the proprietary element will be much too disjointed and scattered to exercise any effective control in basic policy, or have substantial voice in management. They are concerned only with their periodical returns called Dividends, and have very little say in the morals or methods of business or devices for earning dividends.

When the proprietor was an individual or a family handling and managing a business, with contacts directly with the clientele served, there could be some justification in saying that Banking renders a substantial service to the community or a section thereof, and was therefore, entitled to the profit claimed by the proprietor. But the individual or family Bank has practically disappeared in the Western countries. Even those Banks which were founded by individuals and where single family interests still predominate, have ceased to be private concerns, and become reorganised as joint stock enterprise.

In India, too, the so-called Shroff, who still carries on a considerable Banking business as individual enterprise, is becoming fewer and fewer in number, and less and less isolated in operation. His place is being taken by large-scale, joint-stock companies, operating each in several regions, and attending to several kinds of business, through a number of Branches established wherever promising business is available. In this as in many other facets of our economic life, we are copying the British model, with, as usual, very little regard to our own peculiar requirements.

The shareholder is the type of proprietor, who, curiously enough, is supposed to be most directly concerned in the success of Banking as measured by the size of dividends that he receives. His delegates, called Directors, lay down the policy, and conduct the day-to-day business. But the real working of such a Bank is conducted through the Managers, Secretaries, Accountants, and the like, appointed by the Directors. There is no direct personal attention even by these representatives of the shareholders, the Directors, to the business of a Bank. A large individual shareholder may have something to say in the election of Directors. If he is also a customer of the Bank at the same time, he may take or bring business into the Bank which may be partly responsible for its earnings. On the other hand, the same factor may be responsible for weakening the structure of the Bank, as the influence of a large proprietor who is also customer, may, in moments of stress, result in questionable business that a sound Banker on commercial lines would like to avoid.

In recent times has developed, in many parts of the world, a tendency to concentrate all proprietary rights in an ever diminishing circle of shareholders. The proprie-

tors, or rather their nominees, being the sole authority in the directing and management of Banks; and Banks being the repository of all surplus capital of the country, they have an immense power, almost a stranglehold, on the productive organisation of the country. They have also evolved a system of interlocking Directorates, which further intensifies, not only the concentration of investable surplus capital, and the power that it brings in a fewer and fewer hands; it also creates a monopoly control of the service or business the Bank does. This may not be in the interests of the community as a whole, as will be explained more fully a little later; but it adds to the dividends of the shareholders.

After the Proprietors, or Shareholders, the next party directly concerned in the success of the present type of Banking is the Depositor. In commercial banking, depositors are the real providers of the sinews of war. Their deposit may be either reclaimable on demand, or may be for a fixed period set down in advance, e.g. from three months. It is this which justifies the epigram:—"Banking is Business in other people's money". Wherever private property and the profit-motive are recognised as the foundation stone and motive spring of economic activity; and wherever Legislation has become necessary to control and regulate such activity, the main aim of the Legislator has been to safeguard the interests of this class. I mean the depositors in case of Banks.

Like shareholders, however, the Depositors have very little to say, in determining the general policy, or conducting the actual business of the Bank, after they have entrusted their deposits to the Bank concerned. More even than shareholders, they are passive spectators, and often unconscious victims, of the business morals or methods and policies of those who are actually concerned with the working of the Bank.

Unlike the shareholders, however, the Depositors have no say in electing directors, nor in laying down conditions for the actual workers, except in the Cooperative Bank where the customers may also be the depositors as well as workers, who may find employment on the strength of their being proprietors, depositors, or customers.

On the reasoning, however, on which such regulative Legislation and Governmental control is based, it ought

to have been recognised that the safeguarding of depositors' interests require a much larger attention and fuller safeguarding than present practice allows. They ought therefore, to have a much larger share in appointing those who shoulder the responsibility of running the institution or conducting its day-to-day management. There is an analogy for this suggestion in the special Directors for policy holders in an Insurance Company; or Debenture Trustee in an ordinary commercial or industrial enterprise which has borrowed capital by mortgaging its assets and enterprise. If these precedents have been found necessary to establish in the case of Insurance or other enterprises, there appears to be no justification for excluding depositors from similar representation on Boards of Directors or safeguard in the conduct of a Bank.

The third party concerned in the success of a Bank is the Government of a country. If it is fully alive to its duties and its share in shaping the economic life of a community, Government will have to act as coordinating, controlling and supervising agency for all such activities. Banking as already premised is a vital necessity, and an indispensable ingredient of modern economic life. It is a vital link or item in planned expansion, growth or development. To that extent, therefore, its regulation, control and supervision by Government is not only indispensable; it makes Government most vitally, directly and consistently interested in the success of the business collectively considered.

The function of Banks, moreover, as we have seen above, lies in economising currency, developing credit, mobilising and utilising same in productive enterprise. The greatest duty upon the authority regulating and controlling the business of a bank is to see that conditions are created in which this wide function is more fully and satisfactorily assured. It is unnecessary to make, in this connection, any estimate of India's available capital resources. But the ambition to widen and intensify its productive system and improve the general prosperity of the community through increased production of commodities, services as well as utilities, is accepted by all. The suggestion, however, that capital in India is either unavailable, or too shy to be invested in modern productive enterprises; and that the Banks consequently cannot engage, with any safety for themselves or their Depositors, satisfaction to the country, or success to the service, in devising ways and means

to mobilise, collect, and employ such surplus capital in productive enterprise yielding results (profit) in the long run, is without foundation. This is only an argument put forward by those whose interest it is to see that their own capital continues to find profitable employment in India. Modern types of Banks being a creation of the British rule in this country, and that people succeeded in bringing some capital for productive investment, it naturally is unwilling that indigenous capital should be found to take its place, or oust it from the profitable situation it has built up for itself.

The system of Managing Agents, moreover helps in the same direction. The old libel, therefore, continues about capital being shy, and banks being ill-advised if they try to secure such investable surplus from the community and utilise it for forwarding industrial enterprise in the country. In effect, however, there is no lack of capital in India, nor of enterprise, nor of skill, judgment or trained labour for such work.

The country and its unborn generations is thus the fourth party interested equally with the others already mentioned in the success of this business considered in the long run. The people collectively are the least organised where individual interest and the profit motive rule the system. Even with Democratic Government and responsible Ministries, it is not easy for the country collectively to make itself felt in shaping the policy and conducting the enterprise of such institutions. Until at least the rulers wake up not only to their own duty, but to the eventual potentialities of the country, if only proper opportunity is given for the people to be vocal, intelligent and effective, it is only then that a proper share can be taken by the people to safeguard their own interests, and those of the generations yet to be born.

This, however, does not mean that the interests of the community collectively, both immediate and in the long run, do not exist; or that they should not affect the decisions of the Powers-That-Be. On the contrary, just because on materialistic standards of evaluation, and for immediate effect, they are not vocal or visible on the surface, the duty rests ever more seriously upon the Government of the country, its responsible Ministers and far-sighted leaders, to see that these long-range interests are duly and fully attended to through such institutions.

In contrast with these various parties concerned in the success of a Bank, who are more or less passive spectators, stands the fifth and the last category, namely the staff, employees or workers in each such institution. They are the actual operators; they are the people who from the general manager to the lowest rung of clerkdom, help to shape the conduct of the business in every detail. It is this alone, which, in the aggregate, makes for the success of the institution. Whereas the parasitic proprietor, the passive depositor, the pre-occupied Government, and the un-informed people contribute actually nothing to the success of a bank, the workers are the party most fully concerned in its success and yet whose interests are the least attended to. Workers have no place, either on Board of Directors or in the scheme of management. They have to do their work, receive a fixed return, and be content with whatever vicissitudes of fortune affect them, without a word to say for themselves in ensuring success or bringing about failure of the institution they are employed in. This must change, and change radically. It can only change if workers are awakened, enlightened, and adequately equipped. In proportion as workers get organised, and become conscious of their dues they would naturally demand a place in the supreme control, Directorate or management of such institutions. The vested interests may for a while resist and deny their rights; but if we desire the real and continued success of such ventures, we must all aid the real workers to secure and enjoy their just rights, and discharge all their responsibilities.

V. Working of a Commercial Bank.

As already explained elsewhere, Banking in India is predominantly of the commercial type, specialising in short-term investment, rapid turnover, and at low rate of interest and fairly considerable profit. Generally speaking, the working capital available to such banks is invested in goods actually produced while in transit from the producer to the consumer, including the whole host of intermediaries unavoidably mixed up in this process of transition. They all need and use the service of a bank, at varying stages of exchange, e.g. storing, grading, warehousing, transporting, and delivering from party to party in the long chain that makes up the process of transfer from the producer to the consumer.

Incidentally, it may be that the producer working on large-scale may personally and directly be interested in utilising the service of banks. In so far as accommodation is given to him, the Banks may also claim to help in productive enterprise. But this is rather incidental and indirect, than consciously consistent or deliberate.

In the actual system of Banking most favoured by Western countries, the business of productive Industrial Finance is practically excluded from Banks commonly so called. Productive operations in agriculture, industry, utilities and services are financed rather by the public at large, or by any specialised institution, than by the typical Bank. Special brands of Banking have been established even in India, like an Industrial Bank, Agricultural Bank, Land Mortgage Bank, and so on. These are, however, mutually uncoordinated, and function each type in its own field. This makes very often for over-lapping, waste of energy, or unequal development; and the result is more problems and difficulties rather than greater success in the functioning of the economic machinery.

The inter-locking, moreover, of Banks with Insurance Concerns and Transport Organisations, which is becoming daily more important feature of modern commercial and industrial countries, is a growing means of bringing strength and solidarity to all, so far as the profit earning capacity is concerned.

But profit should not be the measure which may justly be adopted for gauging or testing the success of a Bank. In this and other respects, therefore, the present day Bank operations can hardly be regarded as ensuring and safeguarding the long-range interests of the aggregate National Economy. By such devices, again, a few fortunate families or individuals come to dominate the entire service; and their ramifications, relations or connections in other fields of industry or business become such that the entire economic system of the country becomes helpless before this relatively small section of the community.

VI. Consolidating Banking Legislation.

It is to guard against these shortcomings, or to ensure the peculiar benefits obtainable from such agencies, that it becomes necessary to have consolidated, co-ordinating and up-to-date legislation governing such institutions and

their working. The Bill now before the Indian Parliament is said to be brought forward for "consolidating and amending" the law relating to Banks and Banking in India. But a close scrutiny shows it has not been undertaken for any of the objects stated above, or to remove any of the defects noticed already. It is a Bankers' Bill, for the benefit of Bankers, to be worked through the agency of Bankers. In its form and conception, it is reactionary in its design and operation it is obsolete and even obstructionist. The several functions of sound banking mentioned by me earlier in this address are hardly attended to. Notwithstanding the claim to "consolidate and amend the Law", the proposed Legislation neither includes all types of Banks within its purview or concerns itself with all kinds of business that Banks ordinarily undertake. Even the entire law relating to Banks and Banking is not included. And as for amending, except for a few minor details, the essence of the old law and custom, system and practice, continue almost unchanged. If we consider a wholesale reorganisation of Banking, with a view to apply it more directly, more consciously, more thoroughly to the basic problems before the country and to stimulate their planned solution, that is neither admitted nor even approved.

Several amendments have been proposed by me to correct these shortcomings. But even today I am sure they will not be accepted, if I am to judge from my experience in the Select Committee on this Bill. The scope of the Bill will not be extended, the nature of the Banking business will not improve; the machinery of audit, control and supervision will not be altered really speaking, though some stray provisions have been made for the Reserve Bank of India to intervene in any case where a given Bank is not conducting its business on sound lines. The title claims to be comprehensive; but the nature of a Bank as a public utility service is not even mentioned in the preamble; nor its purpose to serve the national economy in all its phases recognised. There is, moreover, no facility in the proposed Legislation to extend bank Branches, or multiply unit banks in the outlying areas. If anything, the Bill creates hindrances in the way of Branches being multiplied so as to serve an ever-widening circle. The alternative of decentralising Banking,—that is to say, each region, town or district having a separate Bank of its own, serving the local clientele, meeting local needs and conditions, and ultimately inter-related in the collective Banking System

of the country, through some central organisation like the Reserve Bank, is hardly to be found in this Bill. As between the two, it appears the latest Legislation favours the British model, where a few big banks have a number of branches, and as such between them hold the key to the entire economic system of the country. This is undesirable under present conditions. It becomes more so while the Social System takes as its foundation stone private property and its motive spring the desire for personal gain.

Will you allow me, at this stage, to summarise very briefly some of the amendments I have tabled, though, as I have told you before, there is not much hope that any of them would be adopted. In the first place, I have sought to emphasize the Public Utility character of Banking Business; and ventured to make the title more truly expressive of the scope of this measure. It is confined, as it stands, to Joint Stock Banking enterprise only; and so one of my amendments seeks to include proprietary banks of individuals as well.

Another amendment tries to facilitate opening of more branches all over the country by successful banks; or, in the alternative, establish unit banks in the several areas which need that service. This also is likely to be resisted and defeated on specious grounds.

By amending the definition of Banks, I have tried to exclude foreign Exchange Banks, operating in the most profitable sector of that business in this country. By yet another amendment, I have tried to introduce new types of banking, new methods, devices or instruments, for extending the service to all sections of the community in as wide a measure as feasible.

Even such a detail as the cost of Inland Remittance, which varies inversely with the ability of the remitter or amount of the remittance, I have sought to eliminate by amending the appropriate clause; while in another place I have proposed additions of new sections whereby the Representatives of Depositors as well as of Workers may be added to the Boards of Directors, now monopolised by Shareholders, by election or appointment. The common argument against the suggestion, viz: that the Depositors are a changing quantity, is no more valid than the same characterisation if applied to Shareholders;

while in the case of the actual Workers, it is impossible to raise that difficulty at all.

Another of my amendments insists upon definite qualifications being prescribed for being elected or nominated as Director, Manager, Secretary, Accountant and any other special officer, in the shape of specialised training, experience or academic distinction, in place of the mere strength of the bank balance which today is the sole criterion, particularly for directive or managerial posts.

Another amendment seeks to fix the maximum that can be paid by way of salary, commission, or emoluments to Bank Directors and officers of all kinds.

The element of nomination on the Directorate by Government is included, because of the vital concern the country has in the operations of Banks. As "the people" collectively is too vague and unorganised an entity, I have taken "Government" to be their only real trustee, agent or representative that can most effectively act in all these directions in their interests and on their behalf.

If these suggestions are not accepted, much less can I expect them to adopt my more radical suggestion which would make the entire Banking System of the country, as a Public Utility Service, ripe and ready for socialisation. That, however, does not mean that those most reasonable and essential demands should be dropped, or not even voiced at all. You may trust me these amendments will be taken before the House. And though I am certain they will not be accepted, I can assure you that the fight will not be given up while there is the slightest hope of reason and justice prevailing with the Powers-That-Be.

VII. The Imperial Bank of India.

I now come to the particular institution in which your Conference is directly interested, namely the Imperial Bank of India. It is an irony of fate that, even when the Empire has ceased to be, so far as this country is concerned, the old name and style of the central commercial banking institution of this country still continues to be imperial in name, and imperialist, perhaps, in outlook and operation. It is a tragedy that notwithstanding the vital stake of Banking in the all-round success of the economic machine, this institution still remains in private hands. A promise was solemnly given last year by the then Finance

Minister that, after the Nationalisation of the Reserve Bank of India, the Imperial Bank would also be socialised. So far, however, as I can judge signs and portents, there is no sign to show that the promise will be implemented; and that the Imperial, imperious, imperialist Bank will be converted into a real National Commercial Banking Authority of the country. Here, too, as in other respects we must continue our efforts even though the immediate prospects of the Powers-That-Be attending to our demand are very slight and remote.

There are many features in the present constitution and working of the Imperial Bank which call for comment, and which may be rectified easily the moment the natural demand for nationalisation is accepted. There is, for instance, still a considerable number of non-Indian employees in high places in this Bank. They receive disproportionate salaries, allowances and emoluments. They must be dispensed with if the institution is to be truly an Indian, and not an Imperial, Bank, in spirit as well as personnel. The disparity of emoluments to the Indian as against the Non-Indian staff, that is such an outstanding feature of the organisation and working of this institution to the prejudice of this country and its self-respect also continues unabated. It will need to be rectified at the earliest opportunity.

The type of business favoured by the Imperial Bank of India is mainly commercial credit. The bulk of it comes from Government business, or its agent, the Reserve Bank of India. In all that, however, it is not and does not function as a public utility institution, owned, managed and governed by the Indian State. We must correct, amend or alter that situation.

It is not necessary that, on socialisation, it should be converted all at once into an all round bank, doing all types of banking business including long-term as well as short-term investment. We may find it quite advisable to retain it as the chief commercial credit institution of the country, functioning either as a Department of the Reserve Bank of India, or an independent organisation of the Government of India subordinate and allied to the Reserve Bank.

The Imperial Bank, moreover, even if it carries on purely commercial credit business, will indirectly at least have contacts with the productive side of the country's

economy; and as such the regulations which govern that aspect will have to be framed with vision and foresight, and adapted to a definite purpose more than is the case in the existing situation.

Commercial credit, or financing trade, within as well as outside the country, will necessarily be an important item in the working of this Bank. The presence hitherto of Exchange Banks, almost all of foreign origin, capitalisation and management, takes away a great share of the most profitable business of this country from its indigenous banks, which would then have to be diverted through the Imperial Bank of India to other Indian Banks. The latter must be encouraged to be more keenly interested in Foreign Exchange business pertaining to this country. Whether or not Foreign Exchange Banks are excluded altogether from the country, very stringent provisions will have to be made as conditions of License to see to it that they function in harmony with and under the control of the Reserve Bank. The condition of such Licenses, and other regulations for Inspection and Audit, Supervision or Control of the entire Banking System, must also be readjusted with a view to make the Central Banking Institution, in the commercial sector of the country's economy, more effective and profitable than is possible today.

VIII. The Staff and Employees.

In all that I have said so far I have deliberately avoided the mention of the peculiar circumstances under which the Staff or employees of the Imperial Bank of India operates. You are, I know, particularly interested and concerned in that. This Conference will consider a number of items, in the shape of Resolutions, which will include the demands or suggestions for improving the working conditions of the Staff, thereby ensuring better success of the Institution. I do not think I should take your time by anticipating, all those demands and suggestions, which, I understand, are to be incorporated in a Charter of Demands, and presented to the Bank Authorities at the earliest opportunity. Such a Charter should, I agree, be submitted to the Bank Authorities, and steps taken to see that these demands do not remain on paper alone. As much as lies in me, I shall, I may assure you, do the utmost to see that the Authorities concerned, whether of the Imperial Bank or Government, consider and adopt these demands to the utmost possible.

While unwilling to take your time in detailed consideration of specific terms of employment or particular grievances of the employees, I cannot help drawing attention to two or three items, which appear to me to be particularly exposed to unfavourable criticism. I have already referred to the presence of the Non-Indian element in this Bank, over-paid, over praised, and over-bearing; which must be ended at the earliest opportunity. Neither talent nor experience, nor training are lacking among the Indian staff that can easily take the place of these Non-Indians who are ripe for retirement and must be dispensed with as soon as possible. There is, in fact, a much greater possibility of the Indian element working in full co-operation and heartfelt sympathy with the country's long-range aspirations, in the matter of national development and the part to be played by Banks therein.

While fully supporting the claim that the Imperial Bank of India must be at the earliest opportunity wholly nationalised, I cannot conceal from you that there are tendencies at work, by which unnecessary posts are created even for Indians, and unsuitable individuals appointed thereto, which cannot augur well for the success of this institution, or the long-range interests of the country. I have no desire to give names; but I think if, on nationalisation, favouritism, nepotism, or personal factors count more in the recruitment of staff or appointment of individuals, it would more than neutralise the other factors which would make for success of nationalisation, and reorientation of the policy and working of the Bank.

IX. Some Suggestions and Recommendations.

For you, the workers, I have already assured you that I would do my best to secure representation on the Board of Directors by means of an amendment to the proposed legislation. I believe in, and shall always strive for, the socialisation of this Key institution in the banking world of India. I shall do so, not only in virtue of the office you have done me the honour to entrust to me; but also because I am convinced that unless we train up by actual experience our own workers in specialised work such as a bank has, when we socialise this public utility and social service, we shall find it extremely difficult to carry out our increased responsibilities for lack of suitable personnel. It is, therefore, in the larger interests of the country itself to see to it that the actual workers get all

the experience, insight and training in shaping the policy and conducting the business of a bank. And this can only be brought about by proper and adequate representation on Boards of Directors and Councils of Management.

To achieve this objective, you also must learn certain indispensable pre-requisites. You must be organised into proper Unions, and learn to think as a co-operative class or section of a large class, which we describe today as Workers, rather than as self-seeking individuals. Your interests as bank employees are not materially different from the interests of other sections of the working class. You must, therefore, learn to cultivate harmony and understanding and sympathy with the aims and demands of the other sections of the working class. They must all be co-related and integrated into a common national policy, which I call "National Planning", and all workers must join to make it a success.

To make your grievances more effective, to make your demands more widely known and more easily attended to, it is necessary that you should have some full-time secretariat whose sole business it would be to study all that relates to Banks and Banking, collect, compile and publish all information of an objective character bearing upon or incidental to Banking, and disseminate this information with proper comment or editing in all channels or workmen where such information is at present lacking. You must, therefore, have an organ of publicity of your own, without which you cannot keep such information before the public in a manner and with the intensity that it is desirable to have. You must remember that the press in India is a close monopoly of a few capitalists; and their interests are in dead opposition to yours as members of the working class. Without, however, a command of the press, or at least of some means of self-expression, you will be unable to put forth your aims, voice your grievances, and secure public support which is the ultimate solution in a Democratic Organisation such as we are hoping to build up in this country.

For your immediate success, I would also advise that you should have some means of your own to enable your members more successfully to study and practise the art of banking as a business, and the science of economics as the fundamental background. You must not take your task in the narrow sense of mere routine. I know that

we are living in an age of division of labour, an specialisation of function. But that should not blind you to the necessity of all-round co-operation, ultimate co-relation and unity, without which the aggregate economy of the country cannot advance to its final goal. The Institute of Bankers which exists today is the creation of the owners, and not of the workers. The instruction and training given therein, such as it is, is throughout inspired by unsocial motives, and therefore tainted at the sources, if I may use the expression. You must organise or devise your own machinery for promoting instruction, training and experience among your members, so that, when the time comes, you would be fully qualified and prepared to take charge of the organisation, control and management of the institutions in which you are employed.

Last but not the least is a word of advice that I would like to give you. More than representation on the Board of Directors, what I want you to understand, is the collective responsibility of a conscious democracy. Every member must think not only of himself, or of his trade, but also of the community in which he lives, and of the long-range interests of that community. If I dwell more upon this, I expose myself to the danger of far-exceeding the time limit I have set myself and exhausting your patience. I know you have indulged me, as it is, far too much; and I am grateful for the patience with which you have heard me. I trust, after this Conference, you will have taken some of the advice I have ventured to offer to heart, and a line of action will be evolved whereby your immediate as well as ultimate objectives may be more fully, more truly, more fruitfully achieved.

ADDRESS

On

Planning, Its Nature and Scope.

Delivered at the Scottish Churches College, Calcutta,

January 17, 1949

I. Planning in its Modern Sense

Friends,

The subject I have chosen for this evening's address has been the ground for considerable misconception which I think it would be as well to clear up at the very outset. In explaining to you the meaning of "Planning" as I conceive it, I would, in the first place, like to remind you that Planning is not merely a fad or a fashion as some people nowadays fancy it to be. Its most modern aspect is coloured by association with doings in Soviet Russia, which has brought it under a cloud, a certain degree of misapprehension, which I think is the outcome of a prejudice that brands everything emanating from the U.S.S.R. as something devilish, and therefore unthinkable to any respectable bourgeois. This type of planning has been attempted, though with different motives and different objectives, by the Nazis and the Fascists also; and so the prejudice attaching to things of Russian origin has deepened and widened to other sections of the peoples still attached to individualist endeavour.

That, however, is not the correct, objective, unprejudiced conception of planning. Planning has been a matter of thought as well as action from the very earliest times, when mankind began to evolve some form of social organisation, examine the nature of social motives, and learnt the necessity of forethought as well as design in co-ordinated action to achieve given objectives. Those who wrote on Utopias, those who preached the City of God, those who explained the nature, purpose and fruits of the ideal Republic, were all planners in the best sense of the term.

On a more moderate scale, you are all familiar with the idea of planning a house, a factory or a business. Those of you who may claim to be a little more modern may even rise to the desirability of planning a family, a career, or a life. Even though you do not rise to those heights of forethought and pre-determination of your

pilgrimage through this vale of tears, you may nevertheless be obliged at times to plan your day or career or life entire. Such planning has been a matter of concern to all thinking people, though perhaps not quite as consistently and systematically as the term "planning" applied on a national scale nowadays implies. I am, however, concerned with showing that "planning" has not been the creation entirely of our own days or even of Soviet Russia. Those of our ancestors in this land who enunciated the Dharma Shastras, or Artha Shastras, had a very clear-cut conception of planning as applied to the entire human society, including the ultimate objective, the motives of action, or the stages of attainment. Every part of a human being's life, every item in a life's activity, every part or phase of conduct was by them put into a definite scheme. And that scheme was co-related as a weaver's pattern, with the rest of his fellows' into a carefully integrated and mutually consistent whole; the complete pattern of social progress and human endeavour. The social framework thus evolved was deemed to be ever-lasting. Its objectives were, perhaps, not mundane; its motives were not mainly economic; its line of conduct not coterminous with a single span of human life. But each was laid down and reinforced with the sanction of religion, so that a degree of sanctity invested all action, its motive force and expected result.

Those, therefore, who claim this civilisation of forethought, discipline and co-ordination as their ancestral heritage must have the idea of planning in their blood, if I may so say. This conception of a carefully ordered social system and its motive springs will not find utterly novel the conception of Planning, as we now have attained, nor confined merely to individual action unrelated to the rest of the community.

From the individual the idea of "planning" has extended to cover an entire community. It is fashionably or popularly described as National Planning which can operate on an international scale. Planning therefore now includes not merely outlining, conditioning, or motivating the conduct of an individual being or enterprise, in a single industry, in a single region. It extends to and comprises all establishments in a given industry, and in a given region. All the forces, conditions or circumstances that go to make the success of the industry, enterprise or individual, and take it to its pre-designed goal, are adequately attended to.

It is, of course, very easy to realise that, under modern conditions, it is impossible for any individual, much less for an industry, to live in complete isolation. Neither an industry nor an enterprise can be shut out, as it were, in an exclusive shell of its own, and lead a life of utter unconcern or un-relation with the rest of its fellows, whether in its own field or outside. All Industries, moreover, are inter-connected, and inter-dependent. The raw material of one is often the finished product of another, and the production stage of one is the consumption stage of another. They are thus easily capable of integration, coordination and dovetailing into one another to form a single pattern and cover the entire domain of a country's industrial organisation.

It is a platitude to urge that, in modern conditions, economic as well as cultural activities are so inter-connected and inter-dependent with the rest of their kind and with one another, that none can hope to survive or arrive at its pre-conceived goal without the support, co-operation, or co-relation with its fellows. And that not only as regards the existing generation, but of generations yet to come. The entire process is like a long series from the primary production of what we call the basic raw material to the ultimate consumption goods. Each ring in the chain is linked with another in a nation-wide pattern stretching from end to end and into generations yet unborn.

I have spoken hitherto of Industry as embodying the entire productive process. As a matter of fact, what we call industry proper is only the working of the basic raw materials into finished goods ready for human consumption. It forms a comparatively small sector of the entire production of material goods, services and utilities in most countries even today. The primary source of all production lies in the land—the farm, mine or forest. The cultivation of land, the exploitation of mines, the development of forests forms a comparatively much larger sector of Production, in most modern communities, including even those which have been highly industrialised. The processing industries make up, indeed, no small proportion of the volume and value of such produce. But even so the aggregate proportion of the wealth produced from these basic sources is much greater than in Industry. In planned economy, where all forms and process of production are mutually integrated and coordinated, Industry as well as

Agriculture, Forestry and Mining, will have to be assigned each its proper role and importance. The untamed forces of nature, moreover, like running waters, flowing tides, blowing winds and other sources of power, will have to be fitted in, each into its proper niche, so to say, to make a single harmonious scheme of planned economy on the Production side.

These operative forces all need careful coordination and scientific integration so as to keep in line the several activities. Only when all activities are so interconnected, there will be the mark of progressive realisation of their essential nature and inter-dependence. Likes must be fitted into likes, as the socket and spigot are fitted in the water or drainage pipes with which we are all familiar. Even if any industry or other activity be not important and indispensable in itself or altogether; even if any be not possible to be mutually coordinated, they would not only form an essential item of the national pattern, but become far more indispensable collectively, than each would be by itself. They have, therefore, to be all so correlated and brought into line and organised with due regard to their mutual relationship, dependance or connection, as to yield in the aggregate, by simultaneous effort as it were, the desired result.

Notwithstanding this emphasis on the importance of such close coordination and simultaneous development, it is necessary to point out that the peculiar circumstances, historical conditions, or political environment of a given community at a given moment may make it unavoidable for it to lay special emphasis on particular aspects or items in their economic organisation, social motivation, and planned development. The basic minimum must, no doubt, be provided as a starting point for planned expansion in industry, utilities and services; in production, distribution, and consumption. But, subject to that, emphasis may have to be laid upon given items to make up the leeway, or provide for special contingencies on industries against other activities, or some group of industries against others. A country, menaced by the aggressive intentions of a neighbouring people, may have to emphasize particularly Defence Industries, even though they are not productive of new wealth, which another more secure in its independence and integrity may not need. The Soviet Union had, in its beginnings of planned reorganisation, to face this contingency and effectually to

provide against it, even while making up the leeway left by the Tsarist regime. Another nation, afflicted by the forces of nature and exposed to earthquakes, volcanic eruptions, or famines, may have to lay special emphasis on primary sources of production which those otherwise advanced, better endowed by nature, or more effectively insured against her ravages may not require. The new Japan of the postwar age may have to provide for this if she takes up planned advance on a rational basis. This is peculiarly the case with countries like China who have immense resources awaiting development which cannot be attempted while the political conditions are so uncertain. Yet another community, which is industrially backward or unduly dependent upon another for the primary sources of production such as agriculture, may have to emphasize the need for Industrialisation of a modern kind, in its initial stages of planned growth, to a degree that may seem an unreasoning imitation of its neighbours industrially more advanced. Geographic circumstances may also necessitate peculiar orientation of the economic life of a community which another, differently situated, may not appreciate and not need emphasise. Britain, for example, handicapped in this manner, producing materials and commodities, which she cannot all consume herself, and consuming goods which she cannot all produce herself, is obliged to lay emphasis on Foreign Trade that is out of all proportion to the real place of trade in a national economy. Because of this peculiar position, she has to emphasise also the importance of her Navy and Air Force in normal times that a country situated like the United States, Australia, or Brazil, may not appreciate. The ideal of National Self-Sufficiency, possible to attain by communities situated so fortunately as the United States, Brazil, or Soviet Russia, may be impossible of attainment by smaller, less developed, and less well-endowed peoples even to contemplate.

In all these respects planning in India must require special care and attention. She has undoubtedly immense resources which await development. There is, at the same time, a vast and growing population, which renders the physical limitation a much greater handicap than seems to be realised by the planner looking only on the surface. The fact, moreover, of foreign domination for a century or political subjugation of the country has given a strange twist, and left a heritage of deficiency in many essential

Services and Utilities, as well as a leeway in industrial growth, which would occupy no mean proportion of the time and energy of her Statesman merely in counter-acting such handicaps. The immediate consequences also of national Independence achieved, have brought in its wake new problems, each with its own urgency, that make scientific planning as on a clean slate more than ever difficult. The world situation, finally, and India's central position on the map, give a peculiar twist to the demands upon her that she inevitably must regard as a first charge upon any programme of growth or expansion she can bring about by intensive effort. These, however, are circumstances, conditions, or influences, which do not deny the need for planned action; rather do they reinforce the need for such a programme, even if, for the moment, special emphasis may have to be laid on particular items or sectors of the National Economy.

Allowing for all these variations that may be inevitable in any scientific attempt at co-ordinating, reorganising and properly motivating the economic life of a community, the essential fact would nevertheless remain that scientific Planning on a national scale is of the utmost importance. It must be attended to by every civilised community that desires to ensure a decent standard of living, for its people, realise its potentialities, maintain its independence and integrity, and attain its objective with the least expenditure of energy, and the fullest results. It is necessary to enable the individual to express himself, to realise the purpose of his being, and to emancipate himself from the bonds and shackles that the social order of vested interests and merely material ambitions impose upon him. **Mukti, Nirvana** or Salvation will not be attained while these restrictions, impediments or limitations prevent the full realisation of the nature of being and the end of life and work in it. With all our modern equipment, not every country knows all its resources, and fewer still realise all their potentialities. If these resources are to be fully developed, if these potentialities are to be properly realised, if the material requirements not only of the existing, but all succeeding generations are to be adequately met, it is of the utmost importance that comprehensive programmes must be carefully prepared in advance, not in isolation but systematic co-ordination of one industry with another, of one productive channel with another, so as to prevent waste and over-lapping and present a single, homogenous whole.

The risks, moreover, inherent in human enterprise, which have been made the excuse so often for retaining individual initiative and the profit motive, could also be insured against most effectively by all-round Planning of Industry and productive resources in general for a simultaneous advance on all fronts.

Planning, would, however, be incomplete if it is aimed only at industrial development, or, for the matter of that, at productive resources only. That Planning alone can be effective and satisfactory which seeks to meet all the requirements, all the wants of mankind to an optimum degree both in the needs of the body and of the mind. Planning is the direct antithesis to chaos, and National Planning to individual anarchy. The basic purpose of a planned effort must be to attain pre-determined objectives within preordained time limits. The task of Planning, therefore, would in no small measure lie in defining the goal to be attained within definite time limits and by given stages. And the ultimate attainment must be judged, assessed or measured according to specified norms or standards which help to evaluate the success in planned activity.

I have so far emphasized the Production side of planned activity, I need hardly point out, however, that Planning cannot be confined to, and must not even be conceived as only pertaining to Production, particularly if it is on a national scale. After all, the principal, immediate aim and purpose of planning is to improve the standard of living. Distribution of the material wealth produced in the country is no less important an item in planned development. In fact it is Distribution which must dictate the pace as well as the scope of Production. The aim of planning being a steadily improving standard of living, it must apply not only on an average, but for every individual that can be brought under the compass of planned growth. While we must, therefore, include on the production side not only Industries of all kinds but also all sources of new production, such as Agriculture, Forestry, Mining, and the utilisation of initial endowment of Nature like flowing waters, blowing winds, or the tides of the sea, so also must we emphasize, in this cosmic conception of planning, the utilisation of the results of all planned effort. Distribution, therefore, on as even or just a scale as possible, of the wealth produced by common

collective or co-operative effort must be no less an integral part of a planned economy than Production.

Planning would, therefore, have to include not only the shape of return for individual effort, whether by way of salaries, wages or other allowances, but also the mode and channel in which the income received is utilised by the recipient to meet both the physical and cultural standards of life, and at the same time promote the realisation of the Plan.

The principal link between Production and Distribution is provided by what we are accustomed to call Trade, Internal or International Exchange. It helps to take off the surplus from the producer to meet the needs of the consumer, and accentuate the division of labour that ultimately increases the volume of production. Emphasis is very often laid, perhaps unnecessarily in many cases, upon Commerce as not only an index of national prosperity, but its essence as well. It is a symbol, or measure of success in planned growth, which, however, is not justified in all its alleged importance under the circumstances of all countries equally. Reference has already been made above to the peculiar conditions and circumstances of a country like Britain, which has inevitably to emphasize the importance of Commerce, in its national economy as the key stone of the arch. But it cannot be the be-all and end-all of its working.

Commerce may be important, also, to maintain not only international peace or freedom of intercourse, but also to make up the deficit of one country in one commodity or service by exchanging with the surplus of another and vice versa. But granting all these advantages of international as well as local commerce, it cannot be too strongly emphasized that the planned organisation of Production and Distribution is not solely for Exchange. Production must be primarily for use, while at least mankind continues to be divided into separate nations, who have often conflicting interests. The basic fault of economic doctrine, as it has developed in recent times, is not that it has emphasized the productive side alone; the fault lies still more in the complete misconception or mis-orientation of the entire economic system which designs Production for exchange instead of for use. It would, therefore, be no small contribution of planned endeavour to the progress and happiness of any country to ensure that Production shall be principally for Use rather than for Exchange.

This, of course, does not mean that Exchange or Commerce whether within the community or internationally, would be ruled out altogether. In this age of intensive specialisation of function and division of labour which is an outstanding characteristic of progressive civilisation, Exchange is not only inevitable, it is an indispensable link or hyphen between two aspects of economic activity. The only defect is the excessive misconceived emphasis of Commerce as a dictative force in regulating economic activity, not only between the several regions of a country but as between the different countries of the world.

Commerce, therefore, needs to be rationalised and assigned its due place in planned economy. It must be made much more natural, spontaneous and evenly beneficial than has been the case under the so-called classical economists. International Exchange is the result as much of real difference in productive capacity and consumption needs, as between any two regions of the world, as it is between districts of the same country. It is not the "difference in comparative costs", as we have hitherto been accustomed to believe which provide the initial motive for any act of Exchange. Rationalised Commerce would, therefore, consist in redistributing the surpluses and readjusting deficits. It will then go a long way to make up local deficiencies due to the unequal gifts of Nature, and redistribute all over the world some special advantages enjoyed almost as a monopoly by a given country. Thus rationalised, commerce would be an integral and indispensable part of planned endeavour as Production or Distribution. Commerce thus conceived includes, needless to add, all the ancillary services of transport, insurance, credit and banking, which must, therefore, form integral links in the chain of planned economy.

Man does not, however, live by bread alone. The needs of the body must, no doubt, be attended to first, if aspirations of the spirit are to have any chance of realisation. A hungry stomach can entertain no high ideal; and even if it does it cannot strive to attain it while the mere physical ability to make the necessary effort be lacking. Public Utilities and Social Services, which may not be productive of material goods, are consequently, no less important for the cultural growth of man, and the spiritual outlook of a community than the mere production of material goods and their proper distribution. If we view man in his natural environment, we find him to be the weakest

and the most helpless of all living beings. Alone and by himself, without the cooperation of his fellow-beings, he is not the least able to attain even the basic minimum needed for brute existence. The instinct of the jungle must, therefore, be substituted by the driving force of co-operative endeavour for a common good. The self-sufficiency of the savage must yield to the concerted effort of a civilised community. If the interests not only of the existing generation are to dictate our aims and inspire our endeavours, it is of the utmost importance that emphasis be laid on planned effort as much on the material as on the cultural needs of man. These include provision for Education, Recreation, Sanitation and Health, and all the equipment by way of tools, implements, machinery and energy, clothing, housing, and all other Services or Utilities which go to make up modern civilised existence and provide its amenities. These are all included if the Plan we have in view is both complete and all-embracing. A single pattern, carefully integrating and coordinating all activities, all stages and aspects, must be premised, if definite objectives are to be attained by pre-determined stages, and as measured or tested by prescribed tests or standards.

Spiritual or cultural growth of man may not admit of tangible tests or measures of achievement applied to the material side. But every civilised community must recognise, not only that such needs exist; but that they have to be provided for simultaneously in no less an intensity than the purely bodily needs and requirements of man." "Mens sana in corpore sano." The correct spiritual growth is possible only if a sound physique is premised. Emphasis is, therefore, laid in all modern programmes of planned endeavour on a national scale as much if not more on these less tangible items as on the more material objectives. The only condition is that these, like the material aims must be duly co-related and integrated, not only as between themselves, but also with the material requirements of man.

It would be obvious from what has been stated so far that though Planning has to be comprehensive, necessitating a simultaneous advance on all fronts, there would inevitably have to be stages by which its progress must be judged, or results assessed according to pre-determined norms. When, therefore, we speak of a Five Year Plan, all that is meant is not that the entire effort for planned

development is to be exhausted within this time limit. What is really meant and implied is that within this period, certain results must be achieved which are to be assessed according to standards laid down in advance.

These stages and standards enable us to keep in view the all-round advance in planned economy, and yet provide for special emergencies or requirements that the situation of any given country may require. It cannot be too strongly emphasised that Planning in itself is a continuous process, ever changing tempo or the tune; but ever growing and expanding till not only the needs and requirements which the planner sets out to meet in the first instance are fulfilled, but all new wants or aspirations generated by the very success of the Plan in action are also attended to, each as it comes into being. The true conception of Planning is not limited to the material side of human life and endeavour. Material side attracts prominent notice, not only because we are bound to this earth and inevitably think in earthly terms; but also because it is a condition precedent without which the full purport and ultimate aim of coordinated growth cannot be realised. We must view man in his true setting to enable Planning to have a real foundation or starting point. But that cannot be the ultimate end of Planning.

The end of life and the purpose of being have to be achieved, even though we are labouring in darkness so far as rational thought on such matters is concerned. The inhibitions, faiths or beliefs of large sections of humanity continue to over-shadow this field which affects enterprise and concerted activity of those who do not realise in full their advantages, but think only of material requirements and earthly ambitions. In fact, even to talk of such matters in the age of materialism is liable to misconstruction by those who cannot conceive of Planning as stretching beyond the physical plane or concerned with aught but life on earth. But those who have paid any attention, to the devising of a Planned World, but in another direction, have provided for the cultural and moral growth of man, even if the ultimate end of this growth may not be fully envisaged by the authors of such Plans. That life has a purpose, and man is a being, and his endeavours a result, other than those concerned with this world and its requirements, is a proposition, which must be difficult in this age to sustain merely on material grounds. Nevertheless it must be evident to all who concern themselves with Plan-

ning and probe into its potentialities deeper than the surface. This aspect, however, is generally comprised by including in the over-all Plan not only material production by industry, agriculture, and other sources, but also Utilities or Services which minister to the inner being of man, his true education, and cultural fullness over and above the purely animal needs of life.

Viewed in this background, Planning cannot be confined to the requirements of a single country. Mankind must learn to be cooperative all over the globe; and must cease to be divided, disunited and in conflict, following divergent local loyalties or chained by the constrictive force of immediate wants. It has been remarked already that countries like India or China begin to feel the pinch of excessive population in proportion to the primary sources of production available to them. On the other hand, there are vast stretches of earth, where the pressure of population is perhaps not even one per square mile; and whose resources are almost like virgin soil that may be developed to maintain several times over the population now subsisting upon them. However inhospitable the climate of such regions, however unknown their resources, however barren their soil, even our present scientific knowledge and equipment by way of implements, instruments or machinery, we can effectively counteract these handicaps of Nature or the disfavour of Providence.

But that can be attained only by international concord and adoption of a Plan, so to say, of World Cooperation. When we consider the requirements of planned growth for a country like India, it would have to be amongst the first objectives to transfer the surplus population now burdening the soil to alternative occupation in Industry, Services or Utilities. On the same analogy on a worldwide scale, we will have to make readjustments both of population and of material available in different parts of the world, so that the surplus of one is available to make up the deficiency of another, and vice versa. Trade would then be no longer the source of exploitation of the backward countries by the more advanced, or securing special advantage to a community more developed than another. It must be a simple mechanism of readjusting and balancing the special gifts of Nature, or the lack of them, so far as particular communities or regions are concerned. Division of labour will also be more rational and scientific, adjusted, so to say, to the peculiarities of geo-

graphy or climate as much as to existing environment, social conditions and ultimate objective. All this, and much more besides than can be foreseen today, would be the undoubted consequence of a scientific Plan, if only it is applied in a proper manner.

In this conception of Planning, it cannot be restricted even to a single country however extensive in area or crowded in population. We may not have yet attained to the stage when we can conceive of all human endeavour on an international plane, whatever professions we make about human equality. Real, scientific planning would be possible only when man's eyes are definitely opened to the necessity of an International rather than a National Plan. But even if that truly broad conception is not yet attained by the average statesman, and even if restrictive inhibitions of national patriotism still dominate the outlook and colour the activity of the man in the street, the Planner cannot afford to overlook that aspect of planned endeavour any more than the individual.

Summarising all these reflections, let me now give you the definition or meaning of Planning as these reflections necessitate. Planning must be coordinated and integrated effort for the development of all forces, on the Production as well as on the Distribution side of national economy. It must include Utilities and Services needed to minister to and speed up the material endeavour so as to provide the proper physical background for every human being within the jurisdiction of a given community. It must be elastic, or self adjusting to the changes or reactions generated by its own success. The progress of such planned endeavour must be towards definitely prescribed goals; it must be by stages and standards of advancement indicated in advance. The progress too must be measured from stage to stage by indices provided beforehand in the shape of norms to be attained or standards to be fulfilled. These may vary from stage to stage; but in their aggregate, they must all aim to achieve that measure of the ultimate objective which is prescribed for each given stage. It must, finally, develop all the resources and potentialities of every region in a large country like India; and must be possible to fit in with a world plan, if and when prepared.

Accordingly, the definition of Planning as given by the National Planning Committee is reproduced below. You

can compare it with the one I have now tried to analyse, explain and elaborate to you, showing all its ingredients, requirements and conditions, so that you may have a correct, comprehensive view both of its Nature and Scope, its Objective and **Modus Operandi**.

“Planning under a democratic system may be defined as the technical co-ordination, by disinterested experts, of consumption, production, investment, trade and income distribution in accordance with social objectives set by bodies representative of the nation. Such Planning is not only to be considered from the point of view of economics and the raising of the standard of living, but must include cultural and spiritual values and the human side of life”.

Section II. Implications of Scientific Planning.

This explanation of the true nature and ultimate purpose of scientific planning on a nation-wide scale involves consequences and concomitants, which are not fully appreciated by those who think of Planning as applied to given Industries, or particular sectors of the National Economy. There can be no Planning worth the name without some of the consequences which are inherent in the very nature of such a programme.

It must, in the first place, involve control of all individual enterprise, co-ordination of their several activities and their integration into a comprehensive whole, and discipline which are indispensable if the prearranged programme of development is to be in accordance with the Plan, and not to follow personal vagaries of particular individuals.

Humanity has, all over the globe, an immense heritage of traditional privilege, inhibitions, vested interests, and other such obstructive forces that regard such Planning to be needless interference with personal liberty. They consequently incline many who otherwise would be conscious and progressive enough to realise the advantages of planning to themselves as well as to their fellows to dislike the idea. The first implication of scientific planning, its inevitable corollary is, control, co-ordination, and regulation of all activities and enterprise that vested interest naturally abhor. Self discipline also becomes necessary and unavoidable because of the ultimate aim in view, namely a sustained, all-round progress as a result of co-operative effort directed to pre-

determined ends and carefully thought out stages. Subordination if not complete oblivion of self, is the essence of such co-ordinated, comprehensive endeavour to attain common ends.

This, would be obvious of course, to anybody who views matters with patient thought, and is capable of self-search and objective analysis. The limitations on man, arising from his very nature and constitution, make it indispensable for him to develop co-operative, as against the competitive, spirit under which we live today. A second implication, and one which is not quite so easily perceived, is: that Planning is a process that produces its own reactions wherever it takes effect. New conditions come into being by the operation of the Plan in the entire National Economy, which may be more manifest in one sector than in another, but which demand their own instantaneous response, or readjustment. Notwithstanding, therefore, the obvious prerequisites of scientific planning,—namely control, co-ordination and discipline, Planning cannot be a cast iron framework, rigid and immutable even though the conditions or background on which it is to take effect change.

Planning must, therefore, be elastic, so framed and administered, as to readjust itself in given cases, under given circumstances, to the changing conditions. Instead of being impeded or frustrated, it must adapt itself in working to the new environment which it has itself contributed to bring about. As a pebble thrown on a waveless surface of a lake, causes waves to come into being which broaden out one after another into ever-widening circles, Planning sets up its own reactions, not merely in the aggregate, but also in particular items, aspects or stages that must be dealt with without marring the symmetry or synthesis of the over-all Plan.

For reasons given above, even from its start a National Plan may have to adjust itself with an eye particularly to the peculiar conditions, emergencies or circumstances of a country's situation. In that case the process emphasised in the particular direction must not blind the Planner to the essence and general trend of the Overall Plan. These conditions, emergencies, circumstances may be of historical origin, political configuration, or even traditional creation; but they must not be treated as insurmountable obstacles which can neither be got over or gone round.

Apart, however, from those circumstances, or requirements of specific emergencies, there may be natural regional peculiarities in a country so large as ours which must be duly attended to. There may be regional specialisation without making an exclusive local monopoly. The demands of accumulated deficiency would also necessitate special attention. In all these cases and many others, more than can be imagined, planned development can only succeed, if, from the start, the programme is not made rigid and inelastic; but so framed as to be adaptable with the least variation to the requirements of a new situation.

Making full allowance for these, the Plan in action would mean detailed regulation and close supervision, as well as effective control of all activities and enterprises in the country, so as to make the result in the several sectors, stages or items fully in line with one another. The ultimate goal or objective must be laid down in advance; and the results will have to converge upon the same point though coming each from a different direction. The stages or degrees of progress having been similarly predetermined, the results will have to be tested in their light.

As the National Planning Committee has itself premised, this close regulation, constant control or supervision of all enterprise would be impossible, unless the country had full Sovereign Authority, both at home and abroad, to lead her activities into planned channels. This was of course, impossible at the time the Committee was set up. But now that Independence has been achieved, and India is a Sovereign State recognised as such all over the world, there can be no excuse for Planning being further deferred. The Government of the country is no longer distrusted as acting perhaps in interests not exclusively the country's. It can, therefore, safely act as Agent or Instrument of the community, and Trustee of its generations yet unborn much more effectively than a foreign government. Collective enterprise, purged of the profit motive, will then be an expression of the community's desire for securing and achieving more fully its long-range objective in conformity with the social setting under planned endeavour. There will not be any outside authority deflecting the national endeavour; nor can there be any internal obstruction which would exploit one section at the cost of another. The march of planned endeavour can only proceed to the desired goal, if the State, or its visible organ of action, the

Government, is the sole agent, custodian and trustee for the welfare and progress of the country as a whole.

Notwithstanding these unavoidable consequences or implications of planned effort, and even if planning is applied in the sense elaborated above on the background of private property and profit motive, it cannot succeed if no steps are taken to restrain the greed of gain for the individual, and the excesses of selfish privilege. In one way or another the National Government will have to see to it that if these somewhat incongruous, or unsocial forces are suffered to survive at all, they are kept under due restraint and limitation; and are made to function as part of the Plan subject to all the restrictions, conditions and directions that such planning necessitate.

Section III. Expected Results.

When fully achieved, a Plan of the type here envisaged may result in complete elimination of individual enterprise motivated by the desire for personal profit, at least in all forms of Production, and the organisation for Distribution. This must apply to Services and Utilities as much as to the production of material commodities. Such wholesale reorganisation and reorientation is intended to achieve a new Social Order, in which the community collectively will provide for every one according to the needs of each, just as much as it would demand from all according to the ability of each.

Planning would affect not only the external environment. It must have its impact on the central figure in the social organisation. Man cannot continue, under planned economy, to be a predatory animal, living upon the sweat of his fellows' brow. The exploitive system of today, under which one class lives upon the labour of another, must necessarily give place to a more rational and just society, in which all who are able to would have to contribute to the best of their capacity just as all who are in need would receive all that they need.

Notwithstanding this outlook and ultimate aim, National Planning, without a clean slate presented as a result of a previous revolution, must take stock of existing interests and tradition moulded channels of thought. If it is not to be still-born; if it is not to be frustrated the moment it is put into execution, it is of the utmost importance that the existing conditions should be fully taken into

account. As far as possible they must be modified re-oriented and adapted to the changing environment.

Planning, as already premised, is not a fit, nor a fad nor a fashion of the moment. It is a deliberate, conscious endeavour by thinking people to train the existing organisation to achieve given ends. These must, therefore, counteract the limitations of man, and ensure the maximum happiness not only to the community as a whole, measured by the average, but also of each individual composing it. Only then will it provide the maximum of the conditions pre-requisite for the final self-realisation of man, the fulfilment of his being and the purpose of his activity. We call it "moksha" or emancipation from the early restrictions and physical limitations. By whatever name it is called, the ultimate aim is the same.

Such a phenomenon, obviously, cannot be a jerk, or a spasm. It is a continuous process, carefully devised in advance, scientifically applied and systematically adjusted to the environment and the new forces that regulate the action of man. If it is continued and maintained on those lines, in all essential particulars, even though the reactions of the Plan itself in action may require constant readjustment, the eventual result will be unquestioned. Being continuous, Planning creates its own reactions and sets up new currents or forces which raise new problems in the mass as well as in detail. These have to be dealt with and disposed of as they arise, if we wish to avoid any disproportionate advance or excessive emphasis at particular points which would mar the symmetry of the entire Plan. The ultimate objective must be left intact, not withstanding any adjustment with the forces generated by the enforcement of the Plan. Room must, therefore, be provided for flexibility in growth and adjustability in working. And the authority appointed to administer the Plan, must be competent to readapt without losing sight either of the aggregate programme or of the ultimate aim.

It may be remarked here that Planning, however carefully devised and scientifically executed, may be diverted by extraneous factors, which cannot all or fully be allowed for at the time of Planning. A World War of the size and dimensions we have recently passed through may bring about a complete dislocation, even in countries which are not directly affected by the War. A planned programme necessarily pre-supposes a peaceful world; while war by

its very nature is a violent disruption that will not suffer any considerable unit to remain unaffected. Even momentary forces such as an epidemic, a famine, or a flood, an earthquake or volcano may bring about interruptions, or even deflection, that must be readjusted the moment the catastrophe is over. The more enduring and extraneous forces such as a World War must, even if not possible to avoid altogether by unilateral action of a single community, be controlled and utilised as far as may be to promote the working of the Plan, or at least to keep in check the adverse currents upsetting its execution.

These considerations necessitate a degree of Priority in Planning, which is otherwise foreign to the conception of a scientific Plan. If Planning means equal advance on all sides in all aspects and items of the National Economy, special emphasis on any particular aspect or item will ordinarily have to be avoided. Nevertheless we must recognise the possibility of unexpected and disturbing calamities, and provide automatic action to check or control their evil effect. If wars cannot be avoided by the individual action of a single community, that community may nevertheless so train, direct and control the forces released by the War around it, as to prevent undue disturbance of its own even rate of progress. Even if it is itself a belligerent, it must provide for such counteracting or at least controlling devices to keep within reasonable bounds the evil consequences or destructive tendencies of such unexpected developments. If, therefore Priorities in Planning have to be provided, there need only be a slight change in emphasis for the time being, and not a complete neglect or scrapping of the entire Plan.

Section IV. Planning by the National Planning Committee.

The Scheme of Planning as evolved by the National Planning Committee, following the comprehensive definition given above, deals with every aspect of our national life and every item in the National Economy for development to a pre-determined standard and to attain given objectives.

The Committee was appointed by the then President of the Indian National Congress, Netaji Subhas Chandra Bose. In an age when the entire National Leadership of India was in opposition, and fully occupied with the programme of the moment, he was the one man who seemed

to take a long-range view of the country's requirements. The immediate objective of the then struggle was National Independence; but he conceived that Independence to be the means rather than the end in itself. The end was more distant, more complex, more ambitious. It was concerned with the remoulding of the entire life of the people in accordance with ideals then current amongst progressive thinkers. By imagination or foresight, by knowledge and experience of other countries similarly situated and equally ambitious, he thought of getting together a body of outstanding talent in the country as a nucleus to prepare an outline of an over-all Plan for all-round development. In each field where Planning would have to be attended to, acknowledged authorities on the subject would be added to provide the necessary knowledge, information, vision for preparing a detailed programme of action, in conformity with the basic objectives adopted by the Parent Committee, and eventually approved by the National Congress.

Their collective labours carefully co-ordinated would evolve a programme of action for the day when the people of this country would cease to be subject to foreign domination, exploited and despised, and be sovereign masters in their own land, controlling, shaping and forwarding their own destiny.

The Planning Committee, once constituted, began by framing a clear definition of its task, its objective, and **modus operandi**. Its reference was analysed into each component part, and appropriate Sub-Committees were appointed to deal with each. A long exhaustive Questionnaire was prepared, intended as much to collect statistics (such as were available in the country), information, or material, as to advise on a line of future action, paying special attention to the requirements of the country. The Planning Committee's own personnel was expanded by co-option, and ex-officio membership, so as to make the main body better acquainted with the several fields or aspects of Planning, and at the same time more competent to judge and pronounce upon the recommendations of each Sub-Committee.

Sub-Committees were appointed, and definite Terms of Reference given to each to deal with a subject or group of subjects comprised in the National Economy. As a bald catalogue of the Terms of Reference was considered to be inadequate or likely to prove misleading, general instruc-

tions were also added for the guidance of Sub-Committees. Guiding principles for the entire work of the Parent Committee as well as of the Sub-Committees, were provided by the Congress Resolutions on Fundamental Rights and Economic Programme, adopted at the Karachi Sessions in 1931. These were, in their turn, embodied and symbolised in categorical norms of attainment, compendiously described as National Self-Sufficiency. This could be achieved, it was thought, without eschewing any obligation of co-operation with equal nations all over the world who also desire to attain a steadily improving standard of living for their own peoples. An irreducible minimum under each head indicated the objective for each stage, to make up and exemplify the Standard of Living, as that compendious term was understood by the Committee.

Section V. Modus Operandi

The several Sub-Committees and their Terms of Reference may now be briefly summarised.

There were **eight groups** of these Sub-Committees, which totalled 29. In the first group, **Agriculture**, there were eight Sub-Committees on :—

(1) **Rural Marketing and Finance**, which dealt with the organisation of markets for agricultural produce, storing, grading, financing it, and devising appropriate institutions and instruments to develop rural credit, efficient distribution, and rapid turnover, through growth of local trade, price control, and allied problems.

(2) **River Training and Irrigation**, dealt with sanitation and water supply for human consumption, training of rivers for electric power and navigation, agricultural water supply and of course, protection against floods.

(3) **Soil Conservation and Afforestation**, considered soil protection against erosion, and floods; providing drainage, sylviculture including planting of new forests, development of forest produce and of industries founded thereon, provision of transport facilities and reclamation of land.

(4) **Land Policy, Agricultural Labour and Insurance**, concerned with the ownership of land, agrarian reform,

including prevention of fragmentation, land revenue and tenure, supply of cheap power for agriculture, ploughing culturable waste, rural indebtedness, agricultural labour, and agricultural insurance.

(5) **Animal Husbandry & Dairying**, included cattle breeding for food and transport, fodder for animals, diseases, uses of by-products, dairying, poultry-farming and bee-keeping etc.

(6) **Crops—Planning and Production** dealt with development of scientific agriculture, balancing food crops and commercial crops; reorganisation of the agricultural community, encouragement of subsidiary industries improvement in agricultural technique.

(7) **Horticulture** included cultivation of vegetables, fruits and flowers, fruit and vegetable preservation, and development of subsidiary industries.

(8) **Fisheries** considered inland, coastal and deep sea fishing, pisciculture, fish products, cold storage, and transport facilities.

Group II on Industries had seven Sub-Committees, viz :—

(1) **Cottage and Rural Industries**, dealing with small scale village industries, their raw materials, markets and finance, protection and development, improvement in quality and design, taxation, standardisation, price control, protection against foreign or local factory competition, conditions of work and wages for labour.

(2) **Power and Fuel** to make a general survey of actual and potential power sources, including cost of production, measures for cheap and abundant power supply, amendment of law in regard to electrical undertakings.

(3) **Chemical Industries** made a census of chemicals, and surveyed the potentialities for local production, an estimate of our chemical requirements for the next decade and recommended ways and means for developing Chemical Industries and special concessions necessary for the encouragement and development of these industries, and for export trade in chemicals.

(4) **Mining and Metallurgy**, dealt with the present mineral production of India, its future possibilities to

classify the mineral resources essential for national defence and non-essential, and recommended the appropriate policy for each; present position of all metallurgical industry, and of laws of mineral exploitation, and with the national policy re: import of minerals and metallurgical appliances needed for a national defence.

(5) **Engineering Industries & Transport Industries** made a general survey of machine imports, machine tools and instruments and present state of local production, estimate of the country's requirements of machines, machine tools and accessories during the next ten years, and recommended measures to produce these requirements.

(6) **Manufacturing Industries** dealt with the general terms of reference to the entire group II 'Industries'.

(7) **Industries Connected with Public Services**, like Education, Health, Sanitation had similar Reference.

Group III dealt with demographic problems in 2 Sub-Committees, i.e. on :—

(1) **Labour**, considering labour other than agricultural, problems of unemployment, and policy relating to terms and conditions of employment, including wages, hours of work in factories, mines, etc. Insurance against sickness, accidents, old age, etc., the problem of employment of women and children; organisation of labour, apprenticeships and housing of industrial workers.

(2) **Population** concerned with the problem of numbers and quality of population, and its correlation with means of subsistence; law or custom regarding the age of marriage; rate of growth; redistribution of population within the country and outside the country by negotiation; remedies for over population.

Group IV related to Commerce and its ancillary services including Finance, in 5 Sub-Committees, viz :—

(1) **Trade** dealing with local, inter-provincial and inter-national trade, the nature, volume and direction of imports and exports; Trade Treaties including the system of Imperial Preference, Balance of International Payments, Trade and Industrialisation; organised warehousing facilities; etc.

(2) **Industrial Finance** considered the financing of industries,—large or small, with special reference to the

devices or institutions concerned with credit, attracting and regulating foreign capital.

(3) **Public Finance** dealt with the present and future scale of expenditure,—National, Provincial and Local; sources of income: taxation, public domain, public enterprise; Incidence of taxation; Possible new sources of income to aid planned development, and effect redistribution of national wealth.

(4) **Currency and Banking** included all forms of legal tender metallic reserves, **valuta** and deposit currency; credit system, regulation and control of foreign exchanges; various types of Banking, including Central Bank, Industrial Banks, etc., ways and means of mobilising local capital and its effective employment in agriculture and industry.

(5) **Insurance**, its principles and various kinds, mainly of an individual or commercial character.

Group V dealt with **Transport and Communications** in 2 Sub-Committees.

(1) The former considered transport i.e. by road, rail, river, sea and air, including rates and fares, with due regard to the development of industries and inland trade; the extension, improvement and increase of these facilities including their Defence value; construction of roads so as to link up villages with markets, etc.

(2) The latter considered Communications—Service, and Industries concerned therewith; Posts, Telegraphs, Telephones and Radio communication; manufacture and providing instruments and apparatus, ways and means to encourage tourist traffic, including hotels, travel agencies, and banking facilities.

Group VI is concerned with Public Welfare in 2 Sub-Committees viz :—

(1) **National Housing**—considering provision of materials for house-building, specialised labour, standards for housing in various areas, with due regard to climate, situation, and sanitary and labour saving equipment; Town Planning, Civic transport, communications and recreation, the agency to provide housing.

(2) **National Health**—dealing with standards of dietary and nutrition; incidence of epidemics; ways and

means of prevention; volume and causes of infant and maternity mortality, provision of Health Units, Health Insurance, medical training and research, compilation of Vital Statistics; cultivation and production of necessary drugs and medicines, preventive and curative aid, etc.

Group VII is concerned with 2 Sub-Committees, viz :—

(1) **Education (General)**—dealing with the general problem in all stages and branches, including Adult education, Training and Recruitment of Teachers and Terms of their employment, Mobilisation of manpower for social service etc.

(2) **Technical Education and Developmental Research** reviews the work in existing institutions and their improvements to turn out qualified scientists and technicians, All-India Board of Industrial and Scientific Research, coordinates training in technical research in all institutions, and has prepared a scheme of State Technical Scholarship for foreign training in relation to the specific programmes of the National Plan.

Group VIII. A single Sub-Committee considered the **Role of Woman in Planned Economy**, with reference to social and economic status of woman, her right to hold property, carry on any trade, profession, or occupation; marriage, succession and family life; conditions of industrial and domestic employment for women; their education to enable them to take a full share in India's planned economy.

Section VI. Advantages and Handicaps in Planning.

With this broad conception of its task, when the National Planning Committee commenced operations, it had a few advantages as also several handicaps. There was, in the first place, the most substantial advantage in the shape of willing and ready co-operation, free of charge, from the foremost scientists, businessmen, economists and technologists in the country. Theirs was a labour of love that called for substantial sacrifice in time and energy. But nothing was grudged, nothing was refused by the leaders of the country in every field of national life, even though it was regarded by the then authorities as tantamount to disloyalty to the existing regime. It is impossible to assess

in any objective terms the contribution of these eminent authorities, each in their own subject, to the working up of a National Plan in the several sectors, stages, or items of the country's economy. Such service, I have always believed, cannot be bought for money; such work will never be done if the only return is worldly wealth. And that is why when the National Planning Committee Series, was finally edited and published, it has been dedicated by the Editor to these selfless workers, as the only acknowledgement of their service in the common cause. If and when the working Plan is put into execution, the country would have to offer a more substantial meed of recognition for these services than such marks can provide.

A less obvious, but perhaps not the less helpful, consideration was the situation of the moment. Planning had been made more **respectable**, not because of the Russian precedent, but because of the authoritarian precedent which had been adopted in Germany and Italy, when reaction was in power at the time the Committee was appointed. The Russian example had, no doubt, been useful in opening the eyes of the Powers-That-Be in every country to the need for coordinated action and all-round development, if their country was to be prepared for all eventualities. The aggressive policies of the two Dictators had brought the danger of war too near to be ignored. The problem of National Defence was accordingly attracting attention not merely to the provision of man power, trained and ready but also to the expansion of Industries which supplied the munitions, armaments and food, as well as the services needed to transport armies and equipment over long distances, and help them to fight their country's battle thousands of miles away from their homeland bases. To many, no doubt, the idea of Planning meant the forced growth of particular industries which figured prominently in the public eye, particularly because of the lack of production in such industries, and consequently serious handicap on the country in the event of war.

In India, too, planning was gradually coming into fashion. The sun-dried bureaucrats still sneered; but the more enterprising industrialists were beginning to perceive the advantage of coordinated effort, —at least as regards their own concerns. And though the

socalled Tata-Birla Plan begat by Big Business was of a later vintage, the idea had certainly germinated by the time the Planning Committee began operations.

Notwithstanding these advantages, there were serious handicaps. Notwithstanding the progress of the idea of planning in the western world, the then Government of India was sufficiently conservative, perhaps sufficiently interested against India planning, not to recognise its advantages. For, in proportion as Planning in India succeeded, her resources developed, and potentialities were realised, Britain's trade, industry, employment, and the standard of living was likely to be jeopardised. The Central Government, therefore, when approached for some help to the National Planning Committee, in the shape of financial contribution, expert advice, and assistance, or the material data available, declined to offer any such cooperation to a Congress creation. As if that attitude was not sufficient insult, they added injury to it by requiring the Planning Committee to accept on their personnel a watch-dog of their own. He would, however, not commit Government by anything he said or did from his seat on the Planning Committee, but would yet be able to report to Government such trends of thought or proposals for action as appeared in his eyes to be prejudicial to British policy or vested interests.

Provincial and States Governments, however, were not so unfavourable. Most of the Provinces which were then functioning under Provincial Autonomy naturally welcomed the move. Many of the States also liked the idea of Planning, whether because by that time it had become respectable and fashionable, or because the Chairman was a favourite of the masses. They consented to contribute financially, and permitted their official experts to serve on the Sub-Committees. Among the Provinces Madras alone, then under the Premiership of the present Governor-General of India, was conspicuous by its coldness. Except an initial grant, it refused to make any contribution, or render any other assistance to the work of the Planning Committee. Among the leading States, all, except Jammu and Kashmir, made handsome contribution and gave willing co-operation. It may be added in passing that this co-operation with the Planning Committee was not confined to the Congress Party or to Congress Governments. All parties, all personalities,

all interests collaborated, even though the overwhelming urge of the moment was achievement of Full Swaraj.

As, however, the conception of Planning, outlined above, began to unfold itself by the setting up of Sub-Committees, and formulation of their Terms of Reference, discussions on principles and objectives, and recommendations on specific issues, some of the vested interests seemed to take fright. And if it was too late to withdraw their cooperation, they at least became gradually, imperceptibly, almost unconsciously obstructive as planning became a comprehensive programme of national regeneration rather than emphasis on their particular industries and their favourite fads were soft-pedalled if not ignored altogether. Vested interests of big business felt an impending assault on their fortress of privilege, which led them to incubate their own brand of Planning, borrowing from the National Planning Committee where they could, and proposing their own alternative where they felt their interests so demanded.

Before, however, these forces could take shape sufficiently to obstruct or frustrate the framing of an all round Plan, War broke out. The political struggle for Independence, became all-pervading, and the programme of "Quit India" drowned all other activities. The reaction of the then Government in the midst of the World War was equally drastic. The result was that the Planning Committee had perforce to go into cold storage, and defer its recommendations until such time as the Leaders were free and able to resume their guidance to such non-official enterprise.

For over five years this suspension continued; and when at last the end of the hostilities came, the moment seemed ripe to take up where we had left off. Other pre-occupations, however, still beset the Leaders so much that any sustained and continuous attention was impossible to carry out the reference made to the National Planning Committee in 1938. The rapid shifting of the scene in the political drama made continued action on the original lines set to itself by the Committee impossible in the years that followed. And so at last the decision had to be taken to bring to light such of the work as already had been undertaken in the Sub-Committee Reports, or the Resolutions taken thereon by the Committee as a whole.

The National Planning Committee Series which has now been completed, and consists of 27 Volumes, contains the Reports of 29 Sub-Committees appointed at the commencement, and two others subsequently constituted. Some of these have been commented upon and lines of action indicated on their recommendations by the parent Committee while others have not received such consideration yet. To each volume, however, has been added an Introduction by the Honorary, General Secretary acting as Editor of the Series, which seeks to place each subject in its proper place and perspective under an Over-all Plan, as conceived by him. Likewise, at the end of each volume, there is a Summary of Developments by the same authority, that tries to bring up-to-date the information and material relating to the subject considered in each volume.

Section VII. Present Position.

Despite the interruption of the war, obstruction, or opposition, we have now completed the task assigned to the Committee. It is not in all the fulness, integration or coordination that one might desire. As stated above, the ultimate **imprimatur** of the Committee is lacking for many Reports, and scientific coordination of all Sub-Committees is equally missing. So far, however, as conditions permitted, the Series is a complete compilation of all Sub-Committee Reports and deliberations, together with their recommendations based on data or material available or discovered by the experts who made up the personnel of each Sub-Committee.

On completion of the task, so far as it lay in the Committee itself, that body necessarily becomes **functus officio**. It has now been decided to hold a final meeting of the Committee to wind up the organisation, and, if possible, make up the **lacuna** mentioned above. A Draft Report has also been prepared for the Committee itself, and a Statement of Accounts will be placed before the Committee and then submitted to the Congress President, the authority that appointed the National Planning Committee in the first instance.

Section VIII. Gaps in Planning.

Wide and comprehensive as this conception of National Planning for India is, there are several **lacunae** in it, which, unless properly filled up in time, may render the several parts of the National Plan, based on such a conception, mutually incompatible. Given the background of alien power dominating the land and the intensity of the political struggle against it, the Planning Committee had necessarily to leave out several items or aspects of its reference from its programme of work, consideration of issues and recommendations. It has been, for instance, impossible to deal with the problem of National Defence, and the Industries, Utilities and Services which minister to it. At the time the National Planning Committee began functioning, we were not masters in our own country. A foreign power ruled in the land, and determined its system of Defence to suit its own ulterior ends. Under those circumstances, it seemed improper, worse than useless for Indians to offer plans for the country's defence. For, if offered and found suitable, there was the serious danger of those in power using such ideas for their own ulterior ends, even to the prejudice of the country's own immediate interests.

But while that line of policy adopted by the National Planning Committee in 1938-39 was perfectly understandable, the omission of consideration for national defence does not the less constitute a lacuna in the Plan now being completed. Modern provision for defence consists not merely of a number of soldiers indifferently trained and equipped with what armament could be procured or produced under the stress of a sudden emergency; it consists of a wide variety of intricate machines and armaments which presuppose an immense development of modern industry in all its forms within the country itself. That industry does not consist only in establishments producing guns or tanks, ships or submarines, planes or bombs. It must have all this, and much more besides. The entire background on which National Defence will have to be planned today would be radically different. The raising, training, housing, feeding and equipping of the very large numbers that will be needed in an adequate Defence Orga-

nisation for a country as large as India and as populous would itself presuppose intensive and wide development of all sorts of modern specialised industries. Many of these are yet unknown in India. The auxiliary services needed for the health, housing and clothing of these numbers would require another group of similarly advanced industry, which is equally lacking or inadequate in this country. Finally, the very armament of all these forces by land or sea or air; the vehicles and instruments needed for the swift and safe transport of these forces to the scene of action, would require yet another group of industries which have still to be brought into this land.

The National Planning Committee do not seem to have realised the vastness and complexity of this gigantic problem. They have made a very small list of what are called Defence Industries, without appreciating the lesson of the last War viz., that in a modern totalitarian struggle, the entire equipment of a country, in men and material, will have to be mobilised before an effective guarantee could be given of adequate national defence. In normal times, no industry need be regarded, primarily, as a Defence Industry; in the event of a War no industry can possibly be excluded from its repercussions, ramifications, or even as immediate necessity. Under the influence of vested interests it was thought that the National Planning Committee has taken an unduly narrow view of the reactions of even those few industries which it specifically lists as Defence Industries. Modern means of communications, in air as well as by land and water, have evolved primarily as handmaids to the Goddess of Victory. But they have no less civilian role in normal times, which would be utterly ignored or distorted if developed in this country for wartime service. The submarine and the jet plane, the High Explosive or the atomic bomb may be most spectacularly needed in War. But they have civilian possibilities, which national planning on an adequate scale must not ignore. This gap must, therefore, be filled up at the earliest opportunity.

Another equally striking lacuna is in regard to the Public Services, which need to be reorganised, re-educated and re-oriented to a new design in the country's adminis-

tration, to new ideals of social behaviour, to new mechanisms of national activity. With the alien ruler in the country, public service was originally organised on a class basis, a predatory outlook, with minimum of work for maximum of wages. This was, of course, for the superior staff. The underlings and what were called menials scarcely received enough to maintain the barest standard of living. The feeling of identity with the people whose affairs these services were supposed to administer was unavoidably absent from such alien inspired and foreign dominated public service. They were mere ministers of the will of an outside power, simple agents whose head office was outside their own country, though they flattered themselves as the ruling class, and behaved as privileged outsiders. Their example was inevitably copied by their subordinates: their influence permeated through their friends and admirers, relations and dependents, and so coloured or clouded the outlook of whole generations of India. Corruption and inefficiency, varied in direct proportion to their prestige and privileges. And so the Public Service of the country; in all branches of administration, at home and abroad, became an engine of exploitation and degradation and not an agency for the advancement of the moral or material welfare of the people.

This must change radically under a planned national economy. Harpies in high places will only prolong the misery of the people. **Swaraj** should not mean to the masses only a change in the complexion of their masters. It must bring, in the public service of the country, leaders and teachers, not merely masters or ministers. The National Planning Committee has completely overlooked the personnel side of giving effect to the Plan. However perfect on paper, it will fail if the agents and instruments for carrying it out have neither the spirit, the sympathy or understanding of the country's needs, the nation's ambitions, the people's demands. The recruitment, education and employment of these agents of the national aim; their remuneration and discipline; their work and equipment must, accordingly, be no part of the final scheme of national planning.

The volume, it may be added, which forms part of the National Planning Series, and deals with the administra-

tive machinery needed for a proper Plan, concerns itself only with the more or less mechanical aspect of this great problem. The personnel side is ignored altogether. And, such as it is, the National Planning Committee has still to give its official imprimatur even to this limited effort of the present writer.

A third gap in the comprehensive National Plan concerns the legal system, which should serve as the background or framework of the National Plan. If the basic idea of planning on a nationwide scale is accepted, the entire legal system would need to be reconditioned. In a planned economy the position of the individual, his relations with his family and neighbours, his work and employment, would undergo material change, regardless of whether the Plan is on an individualist basis or socialist. The entire personal law of every community; the law relating to property, marriage and divorce, inheritance or succession, would have to be redesigned. Even the law of crime and Civil or Criminal procedure would have to be amended, fundamentally. The Constitution of the country is being drafted anew, even at the moment of writing; and the relations of the several organs of government *inter se*, will have to be so regulated as most effectively to carry out the Plan. Rules of procedure, Orders in Council, Executive Decrees or Ordinances will have to be radically revised and redrawn.

Illustrations can be multiplied *ad infinitum* on this point. The essential is that the Plan, to be complete and comprehensive, must take note of the reaction upon the legal and social structure of planned development, controlled advance and regulated expansion, so as to avoid all needless dislocation, or disturbance of the level of employment, the standard of living or general degree of all round prosperity.

The National Planning Committee had no Sub-Committee specially dealing with this aspect of the planned development. There was a specific Sub-Committee, indeed, appointed to consider Woman's Role in Planned Economy. The recommendations of that body touch the legal and social system at a number of points. Another Sub-Com-

mittee deals with Population; yet another with Labour; a third with Public Health; and two more with Education. Most of the Agriculture and Industries Sub-Committees are concerned, indirectly at least, with property, its privileges and obligation, its transfer and succession. These also affect cardinal points in our legal system. But they do so indirectly; and no specific Committee has considered the matter as from a focal standpoint, bearing fully in mind the reactions of the Plan, as it progresses, on the social system. Perhaps this would be best achieved when a definite Plan has been made, and the problem is to give effect to it.

A lacuna of even greater significance than all others noted so far is that in regard to the Administrative Reorganisation of the country, necessary to give effect properly to the Plan. Under the new Constitution, India must be a Federal Union; and in a Federation, a most important question is the division of powers and functions between the Centre and the Units. The present units are, admittedly, *ad hoc* creations of British administrative convenience. Under the new set-up they will exhibit no element of internal cohesion or sympathy in the several component parts of the Union.

And this is altogether apart from the common confusion due to the difference in status, powers or resources of what were, until now, Indian States, and what were called Provinces. The States are fast disappearing, either by merger with the adjoining Provinces, or by combination among themselves to form new Provinces though styled differently, or by closer approach through mere accession. But even while disintegrating and disappearing, they create complications, which have not yet been solved by the Draft Constitution. The document, in fact, perpetuates some of the most invidious and obstructive features of these differences; and the task of smooth administration and uniform development under nationally planned economy is proportionately impeded.

Under a National Plan, the basic unit for administration of the Plan will be an important cog in the wheel, on which will depend the success of the entire machinery. The National Planning Committee had no Sub-Committee to consider this most important item in the administration

of the plan. At the time it started functioning, this problem was, perhaps, not so insistent. But with the attainment of the country's independence, and the realisation of the important role, scientifically well designed local units can play in the success of the Plan, the problem of recasting altogether the country's administrative organisation has an immediate and undeniable importance, which even the present Draft Constitution should recognise. There may be difference of opinion as to whether the village is a suitable basic unit to give effect to the Plan; but there can be no difference that the present Provinces are not. There can be difference of view as to the nature and extent of the powers and functions of the Central Authority in a democratic Federation; but there can be no reason for difference on the point that actual administration in detail must be left to the unit. Amendment of the Constitution to embody whatever is considered most appropriate unit from the viewpoint of the Plan is indispensable, if the Constitution is not to be revised within a year after its enactment to meet the demands of a changing economy and growing democracy. The existing provinces, or the most considerable of them, would have to be split-up into more convenient units, each with some element of internal cohesion and economic harmony within itself. What those new units should be, and how they should be redesigned, is a question, whose vital importance and urgency have yet to be recognised.

The last most considerable gap in the National Plan is that concerning the mechanism by which the Plan is to be framed and carried out. To what extent will it need legislative sanction; and how far it will be a creation of executive decree; to what extent its policy will be a matter of parliamentary discussion and resolution, and how far its work will be open to review from time to time by the supreme Legislature, or even by a Local Legislature, are all matters yet undecided. The National Planning Committee has no recommendation, so far, on the subject. No Sub-Committee was appointed to discuss this matter specifically. An **Ad Hoc** Committee was, however, set-up immediately before the Committee's work came to be cold-stored to consider this question on the mechanical plane. That body could not function as it had been intended to function. But the Honorary General Secretary, who had been commissioned, as Secretary of that Ad Hoc Committee, to prepare a draft has on his own responsibility,

crystallised some ideas on the problem in a separate volume, which now forms part of the National Planning Committee Series, and is entitled **Principles and Administration of Planning**. These ideas have yet to be considered by the full Committee.

These several lacunae are serious, each in its own way. No Plan can be said to be complete and comprehensive, where these items are not satisfactorily dealt with and settled. Before the National Plan takes its final form, it is, therefore, imperative, that all these omissions be made good. Then only there would be reason to hope that active effort to achieve the country's economic prosperity will not be long delayed.

Section IX. Future Prospects of Planning.

It may now be permissible to review the situation as it has developed, and the prospects of action in the direction suggest above. One of the great impediments in the way of Planning at the time the Committee was set up was, as already noticed, the presence of the alien power dominating the country. Even though that Power had been forced by the War to recognise the need for planned and co-ordinated growth of industries, its outlook and objectives remained unchanged. The industries selected to be developed were primarily for more effective contribution to the War effort in subordinate cooperation with the Imperialist alien. The Grow More Food campaign and the other efforts for increased production, Aircraft, and Ship-building enterprise were for the same purpose. Because of the inability to procure supplies in industrial material needed for the War, thanks to the intensive submarine activity of the enemy, they had to pay greater attention to possible local sources of supply. But even though they did set up a Department of Planning and Development, and spent lakhs of rupees in all kinds of conferences, subsidies, consultations and the like, the net result in Agriculture, Industries, Trade, Utilities or Services was scarcely comparable.

All this, however, has changed since the transfer of power and the coming into being of an Independent Sovereign State of India. Though there has been this radical change at the top, there is yet no noticeable change and

progress in the direction of planning, even though the Chairman of the Planning Committee is also the Head of the National Government. There are excuses, no doubt, why planning on a comprehensive national scale, could not be undertaken by the new Government all at once. The Transfer of Power, accompanied by the Partition of the country, brought in its wake grave problems of inescapable urgency which required all the energies, resources and intelligence of the new Ministry to deal with. The might of the vested interests also remained essentially unchanged, except in regard to the physical complexion of the Powers behind the scene. They were interested more in specific projects of particular industries, which may have formed ingredients of the National Plan, but not in a comprehensive, simultaneous coordinated advance as the National Planning Committee had conceived. They were keen on increasing Production rather than on better Distribution. It made labour unrest inevitable. There was lurking in the background, like the ghost of an uneasy spirit, a shadow of the British might. That spirit, even if not openly, exerted in favour of the Senior partner in the Commonwealth(?) at least influenced basic policies or particular decision not entirely in the interests of this country. International complications, likewise, which involved declared or concealed entanglement with Power Groups beyond the frontier led to the same result.

For all these reasons real planning, in the sense I have explained, has remained untried. It remains still a dream, a distant vision, hazy and fading under the might of the vested interests and the trend they are forcing in reactionary directions. Those who might have been expected to be most active and enthusiastic for the earliest adoption and execution of a planned programme of National Development appear to have been overpowered by circumstances and engulfed in the vortex of power politics, party intrigues, or personal ambitions. Ideals have been sabotaged, objectives have been sidetracked; principles have been compromised. Even the means and instruments for implementing the Plan have been sacrificed which would have given some assurance of the vision becoming a reality at no distant date.

Section X. Suggestions and Conclusion

Lest I prove too depressing, let me hasten to add that there is a silver lining. It has not become too late to take up the vanishing trail. Our people have become, theoretically at least, sovereign in their own land. And though the present Government owes its power and position to the memory of the struggle and their sacrifices, the time is not too distant when a direct election by the real sovereign, the adult manhood and womanhood of the country will have to elect those who will be pledged to immediate action. If serving the interests of this country and its people are to be the real criterion of the work of Statesmen, it is essential that the people themselves should know what they ask for, strive for, and live for. If you and the likes of you all over the country really understand your own interests, and know how to use the power now vested in you, it will not at all be impossible for you to dictate the policy and programme of planned development. May you not be faint when the hour strikes; and may your chosen representatives not fail when they take up the reins of power and lead you to the goal you cherish.

DRAFT CONSTITUTION.

Address delivered at Calcutta on 19th January, 1949.

[N.B. This address could not actually be delivered; but the material in the following pages is simply an elaboration of the points prepared for it.]

I. Introduction.

When I was invited to deliver this address on the Draft Constitution I could not help recalling to my mind the opening verse of Kalidasa's "Raghuvansha". The poet compares himself to a frail cockshell of a boat with which he aimed at crossing a wide ocean to which he compares the family of Raghu. The Draft Constitution contains over 300 Articles and 9 Schedules, each containing propositions and principles concerning individual liberty, political freedom, and economic prosperity, that require the most careful scrutiny. It is a Constitution which is supposed to forward the destinies of our teeming millions, and condition the life and work and thought of the generation now at work and those yet to come. For its proper scrutiny, adequate study, and real understanding, knowledge of many sciences, experience of varying systems of political structures, and understanding of different ideals, outlook and environment is indispensable. Without wishing to confound the sublime with the insignificant, may I say I feel the fitness of that immortal verse of our peerless poet, when I, almost alone and unsupported, seek to expose and correct the weak spots, clear up doubtful provisions, and straighten out erroneous outlook, which manifest themselves in every part, in every chapter, in every article of this Constitution.

You have, no doubt, heard of my attempt at suggesting amendments in the few Articles which have so far been adopted by the Constituent Assembly, during its last Sessions of some 7 weeks' duration. You must also have heard of the fate of those amendments. It had taken me several weeks, not merely to study the Draft, understand its intention, recollect the high principles we had stood for during our years of struggle, but also to frame appropriate amendments and bring them before the House. Several hours have been consumed in the forelorn hope, generally in attack, sometimes in defence, invariably without success.

But I do not measure "success" in terms of the degree of acceptance my amendments meet with. I mention this only to point out how impossible it is, in the space of a single address like this, to do justice to the theme, if one is to consider the subject in all its bearings; implications and ramifications, clearly, thoroughly, and thoughtfully. The mere reading of the text would take up the whole of the time one usually devotes to such an address. If I were to point out the implications, undertones and consequences of every Article, its clauses, and paragraphs, it would be a labour of days and months. To avoid that, and at the same time to give you some idea of the lines on which the Constitution has been framed, I would take up a few salient points of principle, and illustrate their operation or their reaction upon our political life and economic activity.

II. Background

Before one scrutinises the several Articles in all their bearings, it is important to appreciate the background on which the Constitution has been framed. I do not propose to go into the historical antecedents at any considerable length. I take it you are all familiar with them. And, besides, I fear I would have left no time even to touch upon the actual text of the Draft Constitution, if I go into such side-lanes.

A knowledge of the historical background is essential for proper understanding of such documents; but I shall leave it to the historian and the critic of this epoch to deal with that aspect. For my part, and for the present purpose, I would like to invite attention to two or three other salient features which constitute the background. I consider their correct appreciation indispensable to understand the Draft Constitution properly.

In the first place, it must be remembered that we are not writing on a clean slate as those peoples who have achieved their Sovereignty and Independence as the result of a violent and successful revolution. Ours has been a non-violent struggle for existence, which has brought a peaceful transfer of power from the alien exploiter to the children of the soil. Such a change-over of power, influence and authority does not at one stroke wipe away all memories or sweep out all institutions. Nevertheless, it gives sufficient freedom to uproot and rebuild wherever the

Fathers of the newly reborn Nation feel it necessary to do so. In our case, the main aim of the century old struggle for Swaraj had been to enable India to go her own way, under the guidance of her own leaders. How their guidance would act, and what new life we would have, was not considered of prime importance while the struggle lasted. When, therefore, Britain, for whatever reason, finally abdicated and surrendered power to rule in this land, Indian leaders were hardly aware of, and much less prepared for, the fullness of the responsibility that had come upon them. They had passed their life in opposition and were schooled in the art of negation only. Suddenly, they were called upon to shoulder responsibility for the government and prosperity of such a large land and its teeming millions. Their experience or equipment, in a world confused and bewildered by warring Imperialisms for a generation, was the strength of their ideals, the memory of their sacrifices, the lessons of contemporary history, and, above all, the inspiration of their Leader and Teacher the foremost soldier and peerless strategist in the struggle for Swaraj.

The immediate events preceding the transfer of power and the achievement of independence were also matters of grave concern to the life of the new-born nation. A section of the people or their leaders had demanded Partition of what had been, for a century at least, regarded as one indivisible whole. That demand was declared to be unfounded in history, unsound in economics, unwarranted by political exigency. It was condemned by the Congress, unwelcome to the British, but insisted upon by the Muslim League; and so became an accomplished fact.

The consequences of Partition that followed were appalling to the country on both sides, and disappointing perhaps to the authors and abettors themselves of that act. The host of complications it brought and the solution slowly evolved necessarily occupied the greatest energy of the leaders who were freshly called to shoulder the responsibility of self-Government.

A third item in the background should also not be ignored. The world as a whole had passed through a devastating war of six years. India had been a helpless, perhaps an unwilling, party in this war. She was not the less a sufferer. Her productive resources were exhausted, equipment out-worn, organisation demoralised; while de-

mand was intensified by the sheer starvation imposed by six years of warfare. The outlook and expectations of the people were also intensified with the advent of Swaraj. The new rulers were therefore beset on all sides with difficulties.

It is unnecessary to go into the details of these problems. Attention may, however, be directed to yet another feature in the back-ground. Because Independence was the result of a peaceful transfer of power, the institution, habits, and traditions, which had become rooted before the Transfer, and in which the leaders of the people during the struggle were educated, could not be swept away at a stroke, even though they had been used as the engines of exploitation by the foreigner while he ruled in the land. Most, if not all, of these institutions, conventions and traditions, as well as ideals which inspired them, were continued, both in form and in substance. The Indian leaders who had to work these institutions, and give effect to their own ideals, were themselves trained in the same political philosophy, and accepted the same objectives. If therefore, at all there was to be any change to meet the demands of the new Sovereign, the change was considered rather in specific modification at one point or another, than any fundamental departure from the accepted ideals.

The Partition, the dismemberment of certain parts of the country, and division of assets and liabilities involving hundreds of thousands of items, had brought many undesirable consequences in its train. One unexpected advantage, however, of that event was to leave the country much more homogeneous, and in charge of practically a single political Party. The prestige in the country of that Party had been immensely enhanced, not only by the successful end of the struggle, but also by the unquestioned influence of **The Leader**, who had inspired and guided the struggle in all its phases for the preceding 30 years. That incomparable Leader, possessing the unbounded confidence of every element in the country, passed away a few months after the Transfer. But even if his Mission was ended and fulfilled, the legacy he left of achievement and responsibility seemed to be too much for his successors and lieutenants. They were intoxicated with power, inflated by the ideas of their past sacrifices, and exposed to every temptation of nepotism or corruption by themselves or by their nearest and dearest.

This is no small handicap. Because of a single Party Government, there was hardly any criticism, and no opposition. The reign of the Idealist was ended, and that of the flatterer, hypocrite, or time-server had commenced. Even those who criticised, differed rather in detail than in essential. There was, therefore, an agreement of sentiment, a homogeneity of outlook, which may well be pursued to give a consistent framework in the new Constitution that may augur well for the future progress and happiness of the people.

Unfortunately, however, those immediately concerned with the framing of the Constitution, or with the working of the future Government machine based thereon, were not able to dissociate themselves entirely from the limitations of a life-long opposition all of a sudden. Nor were they able to tear themselves apart from those classes and influences within the country, which were collaborators while the British regime lasted, and which are even to-day not in tune with the ideology of the Congress. Complaints of corruption in the highest places and of degeneration are common. They manifest themselves in those who could be least thought likely to yield to temptation, or abandon the high ideals that they had been themselves professing and inculcating all their life. With limited knowledge, with practically no experience of administration, with only a slogan-acquaintance with the deep-seated principles of political life and springs of political action, these new rulers of India had no alternative but to imitate the achievements of others, more or less similarly situated, and copying their constitution, with very little originality of their own in the actual formation and working of the Constitution.

These were inherent limitations which the new leaders were unable,—perhaps unwilling,—to discard or overcome. Another handicap lies in the fact that the Constituent Assembly is not merely a body for framing the Constitution, but also to act as a single-chamber sovereign Legislature, making ordinary laws, controlling the administration, and granting funds. It was elected indirectly, and has been sitting incontinently. Under these circumstances, the leaders' actual contact with the people was in the second degree only. The shaping out of the Constitution was frequently interrupted. This time-lag made for such radical change of circumstances that it was impossible to incorporate or give effect to the changing kaleidoscope of poli-

tical arena fully in the document. The Draft was prepared under wholly different circumstances from those now prevailing when it has come up for detailed consideration clause by clause.

The principal leaders, moreover, on whom rests all the responsibility of lead and guidance at this critical juncture, are not identical in their sympathies or even basic principles of political reconstruction. They seem to be either indifferent or un-interested in the forging out of the actual Constitution in all its hundreds of Articles and Schedules. Such patient labour on detail is foreign to their life's training and make-up. Much of it may even be un-intelligible, in all its legal refinement and political ramification. It was a noticeable, though a regrettable, feature of the Constituent Assembly meetings from day to day, when it came down to discuss the actual details of the Constitution, that the two outstanding Leaders were conspicuous by their absence from the Assembly. If either happened to be present, it was usually for a very brief while. Occasions were not infrequent during these brief spells of attendance, when impatience, irritability, childish pettishness and fits of temper were exhibited which would shame a well-behaved child of ten years to display. And if perchance, pettishness was absent, patronising platitude took its place to keep the refractory elements in order, to scowl down criticism, and brow-beat opposition of the mildest degree.

This is scarcely in keeping with their own professions of democratic equality, with the dignity of their office, or the respect due to their fellow members in the Assembly. Being out of constant touch with the fresh springs of political thought or public sentiment, it often happened that, when on the rare occasions they graced the Assembly with their presence, they could only see the individual item or particular amendment before the House. It consequently happened that they laid all stress, rightly or wrongly, on the given point only, forgetting the full perspective in which that particular item should be properly viewed. If any opposition was then offered, or any criticism was voiced from any quarter,—by no means too frequent,—they either adopted a dictatorial tone of **ipse dixit**, or lost temper or patience, and made an exhibition of intolerance, ill-becoming their high position. Such exhibitions silenced criticism; but they also served to suppress constructive suggestions in many cases.

The majority of members, being themselves unschooled in the ways of constitution-making, easily bent before the blast; and took their cue from the leaders. The result was inevitable. Voting up, or voting down, any amendment followed the wind of the Leaders' temper, or the fiat of the Fuhrer, and seldom considered the intrinsic merits of the proposition under discussion. Amendments proposed have, indeed, a chance to come up for discussion, unless they are "withdrawn" or "not moved"; or the Honourable Member who had given notice is conveniently absent at the moment the number is called. These made the proceedings often comic to a degree. Even those that come up for discussion are seldom discussed fully. The hardy member who dares to move in face of the serried phalanx of party stalwarts has a brief spell of talking. He presents his amendment, under an effective, if not quite lawful, time limit; but has no chance of replying to any arguments that may be urged against him, however grossly his point may have been misrepresented or misunderstood. Usually, however, there is little argument. The Chairman of the Drafting Committee simply declares his fiat against acceptance, when he has no other argument; and his legionaries tamely endorse it. Sometimes he or someone else points out, on his behalf, that the amendment is sound in principle, but weak in wording; or that it was out of place; or that it was out of time. This three dimensional reply is rarely varied by a promise to reconsider and present a more acceptable amendment, which then takes the form of an officially sponsored proposal.

The worst exhibition of callous disregard for Rules of Procedure, when they did not suit the powers-that be, took place on the last day of the Sessions. A Resolution was brought up in the Assembly for holding the first General Elections in the following year. It was entrusted, with questionable propriety, to the Vice-President to be moved from the Chair. An obviously contentious proposition, the Chair should never have been foisted with it, had the Leaders had the slightest appreciation of Propriety in Procedure or correctness in Conventions of Debate. And controversy did break out the moment the Motion was read out, first on the propriety of the procedure, and later on the merits of the suggestion. Representations were made from all quarters of the House about the utter impropriety of the Chair putting forward such a motion. Speaker after speaker, including Speakers of Provincial

Assemblies, denounced this tactics. It was soon evident the House would not accept that motion; whereupon without any further notice, the matter was delegated to the Leader of the Congress Party, who, in his turn, was unable to see the matter through, in all its phases, and fortunes,—perhaps because he had no time for such trivialities. Himself an eleventh hour delegate to put forward this Motion, he delegated it to one of his colleagues—the ever ready Chairman of the Drafting Committee. And he, in his turn, made many changes in the Draft against all rules, precedents, or usage. Not even a typed copy of the amendments made by him was in the hands of the members when they were put forward. How could members give thought to such matters under such circumstances? The proceeding was the more deplorable, as there was no earthly excuse for such haste to carry such a clumsily drafted, incoherent, ad hoc, inconsistent proposition adopted amidst general confusion. The episode could not but call for adverse comment on the ground of irregularity and impropriety, even if there were no more substantial arguments against the entire chapter of haste and blunder and inexcusable exhibition of irresponsibility.

Members also show a degree of indifference; or lack of interest in constitution-making, which can only be explained by their want of familiarity, knowledge, or understanding of such subjects. Members are more often found during Assembly hours sitting in the lobby or the courtyard, refreshing themselves after the arduous labours of entertaining lady friends, or Press Reporters whispering spicy gossip, tales of the Night Life of the new Gods, or canvassing favours. The actual attendance in the House is seldom even equal to the quorum required by the Rules.

Let me say a word in passing as to the time devoted to consider the Draft. At first the work began at 10 a. m. in the morning, and ended at 1 p. m. with no afternoon sessions; and there was no work on Saturdays. A five-day week, with three hours per day made a total of 15 hours which was less than a third of an average wage earner's weekly total. This was deemed in many quarters to be unfair, insufficient, and likely to prolong the Constitution debate unduly. Suggestions were made in the Press as well as on the floor of the House for longer hours, or evening sessions. Five hours' work per day for five days in the week cannot be excessive even for legislators. But most members seemed averse to sacrifice their evening

amusements or social engagements. And so a compromise was struck, which was all but abortive from the start. When the Assembly began to ensure longer time, sitting at 9-30 in the morning, there could not be the necessary quorum. Even at the later hour of 10 O'clock, frequently the quorum was unavailable. And at the other end, the House adjourned more than once at 1 p. m. instead of the 1-30 p. m. the hour fixed for lunch, siesta, or other relaxation for the tired constitution-makers. And on Fridays, there was the handy excuse of the Jumma prayers. What an anomaly in a State claiming to be secular! Early hours and hard work seemed to have departed with Mahatma Gandhi—even as his life of simplicity, frugality, and chastity.

Those concerned are, it seems, anxious to pass the Draft at an early date. The country, no doubt, is also anxious to see the new Constitution early at work, and a Government formed in accordance with it, responsive to the will of the people more than may be claimed to be the case today. For a document of this size, complexity, and consequence, the time allowed for discussion, in comparison to the number of members anxious to give their views on the several clauses and the number of amendments makes it impossible to proceed faster than we have done so far, without sacrificing fullness or freedom of discussion. There is no shame in confessing that we are new to the task; that we have other grave problems to deal with at the same time; that we have a variety of interests to reconcile and ideals to satisfy. Slow progress in those circumstances is inevitable. The first 4 sessions of the Constituent Assembly were occupied in laying down general principles on which the present Draft is based. They are contained in the Objectives Resolution, which is partly embodied in the preamble. The main provisions, however, of the several Chapters and Articles of the Constitution, as now contained in the Draft, cannot be said to be founded on anything like fully discussed principles generally accepted.

As it is, the Draft came up for detailed discussion for the first time in the November-December-January Session of 1948-49. It was taken as the Report of a Select Committee. The clause-by-clause discussion began after four days of general review. As that discussion developed, it was evident to the sponsors and authorities concerned that their hopes of finishing detailed discussion of the Articles and Schedules by the middle of December was impracti-

cable; and even the later limit of the Independence Day, January 26, was soon realised to be out of the question. There were in all 8 weeks of discussion starting from November 2nd to January 9th. Each week had 5 days, without allowing for occasional holidays; and not more than 3½ hours per day. This gave not more than 140 hours for something like 300 members to discuss the Draft containing over 300 Articles clause-by-clause, line by line, word by word, including punctuation. No wonder, therefore, that not more than 67 clauses have been discussed in those 8 weeks, with very material items postponed, e.g. the Preamble. Citizenship, compensation for vested interests like Zamindars which have to be divested, the problem of Minorities, including reservation of seats; the basic organisation, and holding of Elections, and the question of a National Language. It is not unlikely that they may also claim the attention of the Assembly for quite a considerable time in the forthcoming sessions, to begin on the 16th May next. It is hoped to finish the detailed discussion by the next Independence Day, August 15, but I have my doubts if this aim would be realised, unless there are longer sittings each day, fewer holidays, and still fewer social engagements.

There is a slackness in certain quarters which may also be responsible for delay of this kind. But those who would hasten and hasten at any cost, do not realise fully the nature, magnitude and complications of the task before the Assembly. We are making a Constitution for permanency, at least for a generation, and not for immediate need, to be revised whenever a difficulty or obstacle shows itself. If expedition could be attained at the cost of thoroughness; if time can be saved at the cost of inadequate, insufficient or ambiguous provisions which would make the Constitution a "paradise for lawyers" I, for one, could not be a party to such a Draft.

It was, indeed, not the fault of the members that, by and large, they should show such a degree of indifference. Though this is a body expressly chosen for Constitution-making, members were elected often for their Party service or personal loyalty in the past, rather than for their ability in draftsmanship, constitutional lore, or understanding of the limits, conditions and requirements of political freedom. "Freedom" has been a cliché, not an aim; slogan, not a passion; a sort of decoration, not a serious possession to be striven for. Members have little realisation of the obli-

gations of freedom in a modern industrialised and progressive society. It requires self-discipline in as high a degree as there is plenitude of power. National freedom in the political sense is, of course, an accomplished fact. But individual freedom in a democratic structure is a different thing. "Freedom" in the absolute sense of license, and unconcerned with other peoples' equal rights, feelings or relations, can only be enjoyed by the savage in the jungle. In an industrialised community, based on mutual co-operation and division of labour, "freedom" can be enjoyed only on condition that equal rights of others to similar freedom must be fully respected. This unavoidably means restriction, control, conditioning. These restrictions are, no doubt, imposed by voluntary acceptance, or by the implied consent of the individual affected. For the restrictions arise from legislation by his chosen representatives, or executive acts of Ministers theoretically answerable to those representatives.

This, however, is a view of the "new freedom" and its implications, this is a conception of civil liberties and their obligations, which the average citizen in India has yet to grasp. Not the least amongst them, their representatives have to appreciate this. Democratic Government implies toleration; Civil Liberty necessitates due regard to the rights of others; economic equality forbids any exploitation of class by class, or individual by individual. All this is apt to be overlooked today, when a single Party dominates throughout the country, in Units as well as in the Union. Tales have been told of the intolerance of members of the new governing class, not only in the Assembly and in private inter-course, but also in public places like Railway carriages. These can only be accounted for by the intoxication of unearned power, suddenly acquired and so causing indigestion. When exhibited by members of the foreign Ruling Class, such acts of intolerance and insolence were execrated and denounced by those now guilty of the same abuse of power. When displayed in no less an offensive degree by the new masters, they are either hushed up, or explained away, in the press; on the radio, or in the Assembly. In fact and incidence, they only prove a lack of breeding. But considered in the mass, they inevitably suggest a general mentality and stage of political education in which the conception of civil liberty is hazy, one-sided, incomplete, and therefore, ill-digested.

Because members are chosen with no eye to their capacity for Constitution-making, they naturally regard anyone else who takes a keen interest, and offers to make constructive suggestions in a series of amendments, as a public nuisance, wasting public money; His activity implicitly conveys a rebuke which they cannot stomach. Amendments are, no doubt, at times redundant; at times verbal; at times repetitive. They are often tabled by persons who as easily withdraw after moving or without moving at all. Members frequently give notice of amendments, who, when the time comes for moving their amendments, are not even present in the House.

Comparatively speaking, therefore, only a few Amendments are called, permitted to be moved, and actually moved or pressed to vote. These, being often in charge of one or two members who are regarded by the powers that be as nuisance, even though to the other they are a source of unearned allowances free of income-tax. They are treated with a cavalier contempt as for an exhibition of erudition which is an implied insult to those who do not possess it.

For instance, an Amendment sought to ensure that those who offer themselves as candidates for the future Sovereign Legislature of India, should at least have some minimum qualifications, like mere literacy, or record of public or social service, or administrative experience. Such qualifications, if expected, may be taken as a sort of guarantee of the candidate's fitness, if elected, for his task, and understanding of some of the problems coming before the Legislature. This was negatived; the only ground for rejection being that it was unnecessary. This in a country where 87 per cent of the population is illiterate! One can understand and accept the suggestion for Adult Franchise, even in the midst of such appalling illiteracy. One may be resigned to, without approving, indirect election. But when it comes to prescribing qualifications of candidates for the Supreme or Provincial Legislature, and an amendment demanding such a modest minimum of qualification as mere literacy is rejected by sheer force of majority, one can only conclude that the dominant Party does not see the utility of literacy in those who come forward as candidates for the role of the Legislator.

Other more radical amendments, requiring dis-interestedness from Ministers; or the Head of the State, were

also negated, with equal insouciance, not because the ideal of public life implied therein was objectionable, but because those now in power have become already too fond of their power and its opportunities of patronage, nepotism or self-aggrandisement to forego their chance.

Yet another difficulty in expediting the Constitution is caused by the Rules of Procedure. Rules of Procedure are inevitable if we are to conduct, in an orderly manner, with due regard to the rights of the Peoples' Representatives, the debate on the Constitution. Considering the desirability of expediting; considering the number of persons interested, and the interests concerned; considering the variety of amendments, it seems to me that the Rules of Procedure have to be precise and definite. They cannot allow a roving scrutiny of the Draft, merely verbal improvements, or dilatory tactics. There is, however, no danger of the last contingency, as the House consists practically of one political Party. There is no Opposition, and so there is little likelihood of opposition for its own sake. At the same time, however, it is equally unquestionable that discussion should be full and free, and from all angles that could legitimately be presented to the House. Those, however, who are anxious to speed up the passage of the Constitution have tried to find a measure of expedition by modifying the Rules, which automatically disallow certain amendments deemed by the Chair to be mere verbal changes, improvement in grammar or punctuation; or repetition and immaterial. Amendments, again, which run counter to clauses already adopted automatically go out. But even so, a considerable number of Amendments remain to be dealt with; and they naturally demand a fuller discussion than seems possible under the Rules as now in force.

Under the rules, for discussion of a Bill in the Select Committee Report stage, there would be no time-limit on speeches, except and in so far as any speech may prove to be irrelevant. Though no definite time limit has been imposed while discussing the Constitution, there is, in effect, a convention whereby speeches are restricted. Discussion is, therefore, seldom as full and free as could be desired, as often grave principles of public liberty or official conduct may be involved. The Leaders of the Dominant Party hardly ever take part in the discussions where their light or leading may be reasonably expected. Perhaps they feel themselves unable to deal with the subject; perhaps

they do not regard the Constituent Assembly with that fullness of respect which is that body's due. Be that as it may, their slackness in attendance is responsible in no small degree for the debate becoming discursive.

The Chairman of the Drafting Committee is generally the only person present on the side of the sponsors of the Draft. He is the sole authority to accept, explain or defend, to modify or give alternative proposals for any Amendment on any Article. He is erudite, experienced, and in the confidence of the Party Leaders, being himself a Cabinet Minister. But alone by himself, and often without the moral support of the Leaders' presence, he may be unable to cope with all angles of attack which present themselves.

The Party in power holds, no doubt, almost daily sessions to consider the several Articles scheduled to come before the Assembly the next day; and in such discussions views are expressed freely that on the floor of the House are suppressed or unvoiced. Even so, when new points of view are presented by the authors or sponsors of amendments, or when new issues arise in the course of debate, it is highly desirable that those who have drafted should be both intellectually firmer, and more deliberate in their expression. This is not to impugn the learning, labour, or comprehensive grasp of the Chairman of the Drafting Committee, than whom perhaps there is none more versatile, more scholarly, more deeply acquainted with the proper shaping of the Constitution. Quick in the up-take, swift in perception, clear in exposition, trenchant in reply, Dr. Ambedkar is not formed, by temperament or training, to be a mere mechanical mouthpiece of a majority. There are flashes in his presentment of his case; and more often in reply to an argument, which indicate the light still burning within. But more often he is reduced to acceptance of principles or expressions those force upon him who have not the knowledge, understanding or experience he commands. But he, by himself alone, and with views not always identical with the Party for which he is a spokesman, is often unequal to the strain of the debate as it develops.

It is an irony of fate that Dr. Ambedkar, who has been a life long critic of the Congress, should be, at this critical juncture, when Independent India's Constitution has to be prepared for the first time by Indians themselves, the

exponent and custodian of the ideals the Congress had entertained and the principles the Congress had preached for the last 30 years. There is a charge of almost slavish imitation of the British model against many Articles in their present form, though not exclusively at the door of the Chairman of the Drafting Committee. British Constitutional Law or Convention, Practice or Precedent does not always lend itself to easy translation under Indian conditions. Occasional excursions are made in the field of the Constitutional Law of Ireland, Australia, Switzerland or Canada, not to mention the United States of America. But the bulk of the provisions is a clear copy, clumsily adapted to Indian conditions, where ideals of political freedom and personal liberty are very faintly embodied and often unconsciously sacrificed. If justice is to be done to the Constitution whose draft we are considering, I think it is imperative that Dr. Ambedkar should be supported more fully, and by some more liberal and intellectual leaders, than the legal luminaries and outstanding advocates, can provide. The Jurist is sacrificed to the Advocate. The domination of the legal practitioner, whenever the intricacies of the Draft come up for discussion. The influence of vested interests in giving shape to the ideals which inspired the Father of our Independence, is not in the best interests of this country or its unborn generations.

Mention may also be made, incidentally, of the long continued absence of Dr. Rajendra Prasad, the President of the Assembly, from its deliberations, owing to reasons of health. Dr. Rajendra Prasad is honoured, not only because he has been Congress President or the undisputed leader of the millions of Bihar. He is honoured and respected because of his essential goodness, his learning and liberalism, his modesty, devotion and considerateness, his personal cleanness and freedom from any the least suspicion of corruption. His unavoidable absence led to the Chair being taken by the Vice-President, another good man, who, however, is unversed in the mysteries of legislative procedure, and intricacies of political manoeuvres. The debate, therefore, often wore an air of unreality, or of irrelevance, which was not the fault of the Vice-President, but which a closer familiarity with the niceties of procedure could have avoided.

Reference has also been made to the general character of the Assembly membership, and its competence to discuss a complicated Constitution for the Union of India. Ours

is not a Federation, nor a Unitary State, nor with long tradition, or precedents plenty and appropriate, to fit in almost every emergency. It is a combination of federal and unitary principles, necessitated by the peculiar circumstances of this country. By and large the Assembly membership has been selected with an eye rather to Party service or sacrifices during the struggle, than because of the individual competence for the particular task. Those who fought in the struggle can, of course, not be neglected when the aim of the struggle has been achieved, and the distribution of loaves and fishes becomes the order of the day. But gifts of place or emolument may well be regarded as sufficient return for the sacrifices made in the course of the struggle. Membership of the Assembly is regarded rather as an honour or distinction than an obligation, which requires many other qualifications besides jail-going, enduring lathi blows, or police persecution.

It is undeniable that, under modern conditions, in a country as large and varied as India, the working of political institutions of the British model cannot succeed without political Parties. And Parties cannot function without rules of discipline upon their members. But these rules of discipline, however sound they may be in origin, however necessary in practice, should not, in discussing matters like the Constitution, be used to stifle freedom and prevent a really full discussion.

Nature and Purport of my Amendments

May I now explain the nature and purport of the Amendments which I myself have had to suggest. Almost all my Amendments are intended and designed to offer constructive alternatives, based upon what known history and recorded experience of other countries teaches to be the best guarantee of political freedom, civil liberties, national integrity, prosperity and independence. I have tried to preclude or guard against the possibilities of corruption, which is admittedly rampant already on a very large scale in high places. I have, for instance, sought to ensure the Freedom of the individual, as well as guarantee for a minimum of Fundamental Rights, which would help to make the standard of living for the masses better and their life more tolerable. These are not merely pious platitudes, nor directives of policy, which may be implemented when convenient. To me they are all matters of real, daily life. The distinction between "justiciable" and non-justi-

ciable rights is a refinement of political chicanery, unthinkable except in an Assembly where ignorance and inexperience compete with intolerance and impatience; and so place a premium on political hypocrisy. It makes a mockery of even those rights which are admittedly "justiciable", i.e. enforceable. I have, therefore, suggested amendments which would make the Rights more real, more actual, more capable of daily enjoyment and easy enforcement. I have also tried to secure a mutual independence of the several organs of the State, particularly those of the Executive and the Judiciary, without which there is no reality in personal liberty. The competence and suitability of those appointed to high places, and even of the candidates for such places, is sought to be secured by another amendment; while yet another suggestion seeks to guard against the evils of nepotism, and excessive Party demands for the distribution of patronage. The State must be made as liberal and progressive as possible. The might of the vested interests should not be dictative; and the right of the weakest should be ensured to a decent standard of civilized existence. Progress does not consist, as unfortunately the competitive civilizations of our days suggest, in the survival of the strongest. That Civilization is alone truly so-called wherein the weakest has an equal chance of survival, by the State making up for the handicaps or disabilities from which the weak suffer. For then only will real equality and fullness of opportunity for a decent life be assured to all.

III—Purpose of a Constitution

Let me next explain briefly the purpose of a Constitution for a modern State. In a modern community of the size and population of India, a Constitution is necessary. But the objective of that Constitution must be properly defined, the ultimate test by which the several provisions may be judged clearly formulated.

What are those objectives? A Constitution for an organised society is an instrument to enable that Society to attain its basic aims. These aims are briefly stated and commonly accepted to be : Freedom, Security, and Happiness of the individual, living in friendly co-operation with his neighbours within the country, and at peace with his neighbours outside. Political organisation achieves the first; economic development secures the second; material and cultural growth provides the third. Co-operation at

home and peace abroad are conditions concomitant for achieving and maintaining the triple aim.

The individual must, accordingly, have the fullest opportunity compatible with life in an organised community. He must have all the necessary equipment for a happy and full life,—a life which would afford the greatest scope for self-expression, self-realisation, self-fulfillment. Unless the material environment and social motivation are sympathetic, the ultimate objective of social effort and co-operative life cannot be secured. It is a tragic fact that, under present conditions, the average citizen in India cannot secure, even one full meal per day, of about 800 to 1000 calories at most, as against an optimum of 3600 calories deemed necessary by the best nutrition experts for an adult. The average conditions of wealth distribution are such that if the citizen seeks a full meal per day, he cannot attend to other needs of the mind or of the body. If **swaraj** is to mean anything real, if independence for India means freedom from exploitation, if the enjoyment and exercise of power and authority is to be by the people through their chosen representatives, it is imperative that conditions must be created, circumstances developed, and environment forged so as to permit and enable the individual to live a healthy, happy, progressive life, free from fear, want, or insecurity. People are now conscious of these their primary rights; they will no longer remain passive instruments of their leaders' will, if the latter forget to seek the basic objectives for which organised society exists. This pre-supposes a complete re-organisation and re-orientation of the social system, which must provide work for all, and secure a due return for work sufficient to enable each individual to maintain a reasonable degree of healthy and happy life.

A close organisation under a written, rigid Constitution would necessarily involve a measure of control, regulation and discipline, which at first sight may appear to be against the Freedom of the Individual. The term "Freedom" is a relative one, especially when applied to a modern civilized society. Absolute freedom in the literal sense can only be for the savage, or the beast of the jungle; and even there serious limitations are imposed by the forces of Nature. For a society founded on division of labour and specialisation of functions, working on a basis of mutual co-operation, Freedom must be viewed in the context of constant co-ordination, control and discipline. It

should be compatible with the objectives that the Constitution seeks to attain. As social organisation becomes stronger, wider and more extensive; as the economic machinery becomes complex and more dynamic, its systematic regulation becomes inevitable. Restriction of individual liberty is an inescapable consequence, becoming daily more varied and ramified. If modern society wishes to live in progressive prosperity, it cannot leave all activity to individual anarchy, however enlightened the individual's self-interest may be. We must plan; we must organise; we must proceed in concerted endeavour. In a national plan, embracing all items and aspects of the community's life, the individual will necessarily and voluntarily subject himself to the requirements of the Plan. It may be that, as a result of the achievement of a broad-based National Plan, attaining all the objectives it sets out to realise, the individual will realise and understand the demands of co-operative society so well, that he would act by himself as an integral part of such a machine. He would not need then any outside control, drive, or directive to make him a helpful member of society. At that stage, it may quite possibly be that social organisation and economic machinery itself may be unnecessary. In the words of Lenin, the State may itself whither away. So long, however, as inequality and class differences continue; so long as the force of competition still influences individual action, determined by the motive of personal gain, the need of organised effort, through, the collective agent of the community,—Government,—is unavoidable.

The State's function would, therefore, be to initiate, order and condition the national effort. It must bring about an environment which will grow wide, and will meet all the wants of man's body or soul. Man by himself is the most helpless of living beings at the commencement of his life. By organising, planning, regulating; by co-operation with his followers, by the might of his intelligence, his science and his equipment, he is able so to overcome all the limitations of Nature, all the handicaps of his own imperfections, as to command the brute forces of Nature, develop his own faculties realise his own potentialities as to be the true architect and master of his own destiny.

In these objectives of a well-ordered society, I postulate peace and amity, not only between the members of the same community, but also with their neighbours. The Constitution must, therefore, be so framed, so motivated, and

so worked as not only to enable the individual to secure full satisfaction of his wants, the governmental machinery being designed solely to help him to do so; but also to guard against all aggression, and at the same time to offer every co-operation that may be necessary for concerted action for common benefit as between the various Nations of the world. Peace on earth and goodwill among men is indispensable for the progress of humanity, just as the Rule of Law is indispensable for the ordered internal adjustment and progress of any given community. It must, therefore, be the aim of a sound Constitution to see to it not only that Government is by the consent of the governed, for their benefit and through their agency, but that the elements, groups or interests within the country are so balanced and adjusted as to be mutual checks as well as helps to one another. That alone would provide an effective guarantee against Party bosses becoming absolute Dictators.

The evolution of the Party system, and its importance in a democratic society of today cannot be denied, especially under a system of ministerial responsibility. The working, however, of that system which has resulted within living memory in the predominance of one Party, and a Ministry dominating that Party, and thereby holding complete control over the entire Nation, is an off shoot of Party politics, which can scarcely be claimed to be an advantage of the system. We must, therefore, provide a machinery of government under the Constitution, which would guard against the individual being lost and submerged in the Party machine; and the governance of the country falling in the hands of only Party bosses who may easily degenerate into dictators.

In proportion as we succeed in providing effective guarantee against Party leaders becoming local bosses or national dictators, we would also be able to provide a real basis for that friendly co-operation and peaceful commerce with our neighbours, which would prevent the emergence of a single power or group of powers dominating over all other countries. The menace to world peace, to international equality, and to human happiness, which springs from the aggressive ambition of Imperialist Nations, can be checked only if all countries properly develop their own resources so as to afford every individual under their jurisdiction the fullest possible satisfaction of their wants; but also provide a background that could enable them to with-

stand the aggressive ambitions of his neighbours. A Constitution carefully drafted will have adequate machinery and safeguards, which would be effective and adequate, both for maintaining law and order and ensuring progressive development of resources within the community, as for securing international peace and friendliness between the nations of the world.

IV. Basic Principles of Constitution making.

These objectives must be attained in consonance with certain basic principles, which I shall now try to explain briefly.

Unreality of Popular Sovereignty

In the first place, we postulate the Sovereignty of the people. But where is this Sovereignty to reside, and how is it to operate? When is it to come into action? One searches the Draft Constitution in vain to discover a single clause for an effective assertion of direct popular Sovereignty in everyday working of the Constitution.

As remarked elsewhere, nowhere does the Draft provide for the sovereign authority of the people, e.g. by means of a Referendum. There is no machinery for ascertaining the real wishes of the people on any given issue on which there may be a sharp division of opinion amongst the Party Leaders and the popular representatives.

Much less is there any scope for exercising direct authority of the people by initiating any legislative proposal from below, or giving out any line of domestic or foreign policy. Still less is there any chance for the dissatisfied people to recall an unacceptable Minister.

The doctrine of 'collective responsibility' of the Cabinet of Ministers, on which this Constitution is based, will be a camouflage so far as actual responsibility to the people is concerned.

The only manner in which popular sentiment can ever be ascertained, and Government formed broadly in accordance therewith, would be by and through a General Election. But that will come, ordinarily, every five years or less. At every General Election, however, there is always a multiplicity of complex issues, in which the most highly educated, the most technically trained persons may be bewildered. Politicians have a way of presenting such

matters in such a way, with such a smoke-screen of verbiage, that a clear appreciation by the mass of the electorate of the points at issue is impossible. Social problems, like the reform of the Marriage Laws, or the abolition of Private Property, do not lend themselves easily to close analysis, and clear cut issues.

Had a Referendum been included in the Draft Constitution, it would have become possible to have a specific issue answered in the affirmative or negative. The explanation or analysis of the issues, their elaboration or embroidery, would have to be by way of Party propaganda. But such propaganda will always be taken at due discount even by an illiterate Electorate. There would be very little avoidable confusion, misapprehension, or misleading, which a General Election with a multiplicity of issues inevitably involves.

The argument that a Referendum, would be impracticable on a scale such as India presents, or that political issues that normally come before a modern democracy on a scale such as India's seldom admit of clear cut statement capable of categoric answer in the affirmative or the negative, can only be urged by those who have very little faith in popular judgement. The modern machinery of communication and broadcasting; of the press, and the cinema, is easily capable of polling popular vote on the national scale; and its counting by means of tabulating machines would be not at all unmanageable. All that would be needed is a number of voting centres and counting devices which Western Democracies have begun providing.

Another similar argument is drawn from the comparative ignorance of the people. The lack of mere literacy is, indeed, appalling in India. But that does not necessarily mean that the people are ignorant, or deficient in common sense, in matters affecting their vital daily interest. If illiteracy is to be an argument against Referendum, it may as well be an argument against adult franchise and parliamentary democracy. An issue, like the Partition of India, could, if it had been submitted to a popular vote, have been confused, by the admixture of religious sentiment. Even in that case, a plebiscite was, in fact, taken in two Provinces at least, and the result was not unexpected.

In more unambiguously worldly issues, like abolition of the Profit Motive, there can be very little danger of that sort. The influence of vested interests may, no doubt, twist

and misrepresent the question. But if Parties are properly organised, and facilities of propaganda are equally available, this danger will be minimised. In the ultimate analysis, it is a matter of one's real faith in democracy. People, the majority, is liable to make mistakes. But they must have the right to make mistakes; and, having made a mistake, the liability to bear the consequences.

Leaders and Popular Sovereignty.

Even if we content ourselves with realising the ideal of Popular Sovereignty in Parliamentary Government, the attitude and outlook of the present Leaders of the Constituent Assembly are anything but reassuring. Mention has already been made of the practice of the two most important leaders,—the Prime Minister and the Deputy Prime Minister,—of either absenting themselves for long stretches from the Assembly, or, if present on unavoidable occasion, behaving in a manner hardly commendable as a model of courtesy or correctness for the chosen representatives of the people. The Prime Minister particularly excels in petulance, pettishness and pettiness, especially while answering Questions. And the Deputy Prime Minister specialises in a species of dry humour which shows more contempt for the questioner than gives information on the question asked. They treat the Assembly as a body of school-boys with whom the school-master is chronically displeased. Answers of Ministers to Questions are marked by a degree of evasion, intolerance, and impatience that barely escape being insolence. It can be tolerated only by an Assembly of Party hacks, who have little self-respect and less independence of thought. The main Questions are answered generally evasively, seldom informatively, always impatiently. The manner of the answer and emphasis seem to consider the Interpellation as little better than impertinence. Other Ministers are more anxious to score a point than to give enlightenment. Supplementary Questions are unwelcome when they are not inspired. Set formulas echo every day as answers to inconvenient Questions, e.g. "No useful purpose will be served by answering this question"; or "The time and trouble involved in collecting the information asked for would be disproportionate to the value of the information"; or "The Minister must have notice of the question"; or a flat refusal to answer by the euphemistic formula. "It

is not in the interests of public policy to answer this question”.

All this is symptomatic of the utter distaste, if not distrust, of our present Leaders for popular sovereignty in any shape or form,—except for window dressing, foreign consumption, or newspaper notoriety. Even the ancient and honoured principle of “grievances before supplies” as manifesting itself in the discussion of the Budget or the Finance Bill, has proved a weapon, more for defeating the principle of Ministerial Responsibility to Parliament than for enforcing real responsibility to the representatives of the nation. For speeches are limited and discussion regulated in a manner scarcely sufficient to provide an adequate survey of the working of government. In the last analysis the Chair has often to intervene, and call the “next question” lest Ministerial evasions exceed the proportion of Parliamentary decorum, lest official ignorance trespass the bounds of Party loyalty, lest Leaders’ impatience outrun the followers’ sense of discipline.

So long as the principle of Popular Sovereignty is either absent, or not specifically provided for in the daily working of governance, the Constitution can, have little claim to be called democratic. The Draft as it stands is, I repeat, a concoction and a deception, upon the people of India. It is a matter of profound regret that those who have worked in the name of the Congress, and profess to carry on the ideals of Gandhiji, should be so sadly lacking in a genuine concern for working democracy. One now begins to fear they fought for Swaraj because they only wanted power for themselves. The independence of India, and Freedom of her people, were only an excuse for changing the complexion of the Ruling caste, not the convictions of the rulers.

Primary Unit of Government.

If such a cardinal principle as Popular Sovereignty is lacking, other basic ideals need hardly be emphasised as being sabotaged. Take, for instance, the basic unit of governance. Is it to be the individual citizen? Or the Family? Or the Village, the Province or the Nation collectively? We are living in an age of individualism, where

private property, the profit motive, and freedom of enterprise are supposed to be the foundation and corner stone of the social structure. The individual as the primary concern of the State, the aim of all its activities is scarcely attended to even in the chapter of Fundamental Rights. No right is guaranteed; no right is declared clearly, categorically, unexceptionally. Every enunciation of a right is made subject to the most extensive exceptions. No obligations of the State to the individual are recognised; or, if declared, they are thrown into obscurity and ambiguity by being brought under what is entitled the chapter on "Directive of Policies." These are not "justiciable" Rights that can be enforced in a Court of Law by the aggrieved individual; but only so many pious platitudes, which are like cheques payable when able, not imperative orders payable on demand, unconditionally and unhesitatingly.

The specific rights included are, if one may say so, a mockery of the very conception of the Rights of Citizens. It would have been much better if the Constitution had frankly declared that it is not practicable, under present conditions, to enumerate, enunciate, guarantee and enforce these rights. The Draft Constitution makes magniloquent mention of the Right to Employment, the Right to Education, the Right to Health, and several others of that ilk. But they are all hedged in with numerous exceptions; and none of them are likely to materialise, seeing the way those now in power approach these problems, for anything like a generation, in the fullness, the variety, and the completeness that one would have desired.

If the individual citizen is not the basic unit, the Family is not, and cannot be a primary unit in the social structure or political activity of a modern State. It is a unit rapidly disintegrating, and becoming obsolete. The bonds which held together the old undivided family are slackening. As contract takes the place of status, as the rights to freedom of the individual begins to be asserted, any authority of the parents, of the teacher, or of the State is bound to prove in vain. The Joint Hindu Family System was a microcosm of what may in a wider context be termed "Communism." Though disintegrating, its place still remains to be taken; but there is no other unit yet found that can claim to be an effective rival.

If the Family is disappearing, the Caste, Clan, or Tribe cannot survive. They are much more obsolete, much more

reactionary, much more unacceptable than the family as the basic unit in a modern polity. The modern social structure demands a flexible unit which the Caste essentially cannot permit. The clan or the tribe is out of the question, as it has never been a recognised unit all through our history.

The only alternative, therefore, that remains is the Village. As a basic unit, it has sufficient coherence, and homogeneity in the population, economic structure and working, and general environment, to justify a revival, a reorganisation, and a reorientation which can put new life in the Village and make it a new force in the new India of our time. It is admirably suited to make the principle of a co-operative or collectivist democracy function on a scale sufficiently small, and yet sufficiently large, to make for economy and avoid waste. But an indispensable prerequisite is a proper, over-all National Plan, wherein each unit, each item, each aspect of the national life is carefully integrated. The State or the Province intervening would be so much additional wheels of the machinery. That tertium quid may as well be avoided, if the Village is rationalised and reconstituted, with a new motive, a new outlook, and new equipment to tackle the tasks of modern life. I for one would rather abolish all provinces and other intermediaries of any kind, and reconstitute the Nation on a basis of autonomous villages, grouping themselves voluntarily in a steadily mounting **echelon** with their neighbours to form a pyramid of new life, new purpose, new ambitions in this ancient land of ours. Each Village, by itself, may not be sufficient in all the requirements of the modern industrial civilization; but properly organised, grouped and co-ordinated, it can provide very much more satisfactory a field for true democracy and real self-government, that neither the Provinces nor the Centre will afford. The Constitution as it is drafted today makes that unmistakable.

India and the Commonwealth

Another point of radical importance is the future of our membership of the British Commonwealth. Under the arrangements of 1947, India is still a British Dominion, even though for all practical purposes it is an independent State. We have had bitter experiences of that connection with Britain for over a hundred years. It is a memory and legacy of alien exploitation and oppression which

denied our rights, neglected our resources, ignored our potentialities. It used us either as so much cannon fodder in international conflicts provoked by insatiate imperialism, or as slave labour creating surplus value for the exploiter's aggrandisement. It may be a wise advice to forget these memories, now that power has been transferred. But even if we forgive the past, and turn completely over a new leaf, we must not forget, we cannot even if we would, obliterate recent history so far as not to take the lessons that have been forced upon us in the course of the last century or more.

Membership of a Commonwealth is not exclusively a source of strength,—political or financial. However independent and autonomous we may be as a Dominion, the mere membership of the Commonwealth will entail obligations, involve complications, which there is no earthly reason why we should incur or be involved in. I have tabled Amendments on this question; but have no hope that, given the present predilections of our rulers, they will be accepted.

Division of Sovereignty : Distribution of Powers and Functions.

The correct and adequate distribution of powers and functions is a basic principle which must be considered for making a sound constitutional framework. While discussing the several forms of Constitutions, and contrasting Federalism with Unitarianism, I have pointed out the necessity in a Federal system of proper distribution of Sovereignty, and adequate division of powers and functions, authority and resources, as between the several organs of the State. The principle of Separation of Powers has a sanctity, a guarantee for Civil Liberties, in any form of Constitution, if it aims at securing freedom of the individual and prosperity for the people, which should not be under-estimated.

Mention has been made, as an illustration, of the separation of the Judicial from the Executive, which is typical of the advantages that would flow if proper division of powers were accepted. In the Indian Constitution, as now drafted, however, this principle does not seem to have been given effect to. It is doubtful if the authors and sponsors of the Constitution really desire to keep the several

organs of the State mutually apart and independent, with the minimum of inter-dependence that could possibly be devised.

The division of powers and authority, as between the Centre and the component units, is still more vague. Attempt is certainly made to demarcate jurisdiction, distribute resources, and divide functions. But the Draft Constitution being a compromise between the two rival demands of Federalism versus Unitarianism, necessarily makes the powers and functions given to the units conditional upon the over-riding authority, of the Centre. Wherever, therefore, the Unit legislation, or Unit executive action, conflicts with the Central legislation or Central authority, the latter must prevail.

This may contribute to strengthen the Central authority. It may be necessary for the adequate safeguard, preservation and maintenance of our national independence. But if we pin our faith in working democracy on the widest practicable scale, the excessive concentration of power and authority in the Central executive, including even the appointment of Governors, declaration of National Emergency, suspension of provincial constitution, etc., will be fatal to our aspirations. The vesting of patronage likewise, not only in the shape of posts and dignities, but also by way of contracts and other sources of material gain, in the Centre, will tend to undermine still further public morality claimed to be such a high contribution of the Congress to political life. There would then be serious risk of the country's government being called Government of a clique, through a caucus, for a class, and not for the universal advantage of every citizen within the community.

Ministerial vs. Presidential Responsibility.

The principle of collective Ministerial Responsibility has been embodied in the Draft Constitution to a degree and in a manner, which will, in effect, make of the Prime Minister a veritable colossus, bestriding both the Legislature and the Executive. There would be no counterbalancing authority against him in the entire system. Collective responsibility of the Cabinet, as it has worked in Britain for the last 200 odd years, has, no doubt, given a prominence to the Prime Minister. But until about 40 years ago, he was unknown to the British Constitution. Indeed, even today, the Cabinet itself is not specifically re-

cognised by the Constitution except by convention. The real position of the Prime Minister is **primus inter pares**. He is not, either by law or convention, quite so great and powerful as his Indian prototype threatens to be under the Draft Constitution. The Indian President, the nominal head of the State, has no real power. He cannot act except on the advice of the Ministers; and the Ministers can not individually advise, even in regard to each his own Department. In practice, therefore, it is very likely that the Prime Minister would be the authority to appoint and remove any of his Cabinet colleagues. His power, authority and influence will only be tampered by his own faith in democracy, and to the extent that the strength of any individual member of the Cabinet restrains him.

The Electorate might be another check upon excessive power and influence concentrated in one man. But the state of education of the Electorate leaves much to be desired in regard to a full appreciation of the high privileges of real, effective, working popular sovereignty. The traditions of the Congress are rapidly being transformed by the inevitable intoxication of power. Under the new system, now emerging, all the idealism the Congress stood for, and any hope of establishing real government of the people, for and by the people, by the people, seems to fade away daily more and more; and its place is being taken by intrigue, corruption, and deception that seem inseparable from an infant democracy and its unfamiliar practice.

In contrast to the principle of Collective Responsibility of the Ministry, individual responsibility of the President would be a much better guarantee of real democracy. There would be no camouflage, no room for wholesale deception, no field for organised hypocrisy the Draft now affords. The President, however, is, even under the Draft Constitution, truly a more popular choice than the Prime Minister, who is at best indirectly chosen of the Nation. That is to say, he is the leader of the Party which secures a majority of votes in the Central House of Representatives. Nevertheless, the possibility of the Prime Minister becoming only remotely and indirectly responsible, while the powers of the President in actual practice being only nominal, is too great to be ignored. If real responsibility is to be enforced, and governance is not to be reduced to be the privilege of a mere junta, a clique or a cabal, it is imperative that the clauses relating to the Parliamentary Res-

possibility of Ministers be much more thoroughly scrutinised.

The amendments I had presented in this behalf sought, in the first place, to make the responsibility of the President more direct, and unambiguous. Failing that I tried the responsibility of the Cabinet Ministers much more positive and immediate; and failing that, I endeavoured to secure collective responsibility of all Ministers directly to the people by specific devices mentioned above. But, of course, I lost all along the line.

The ability of the Legislature itself to enforce responsibility of the Ministers is indirect, if at all real. Members who are elected by the help of the Party machine, and perhaps also Party funds; members who expect some share in the loaves and fishes which can only be distributed by the Ministers, necessarily become much more subservient and open to influence by those who have it in their power to distribute such bounties. They cannot afford to take an independent line. Nor would the exigencies of government by Parties permit such independence. This is not to say that members of the Party in power are all corrupt, or corruptible by direct gifts in cash. There are a thousand ways of exerting pressure or influence, a thousand forms of offering consideration for maintaining Party cohesion, discipline, and loyalty.

We have, in this country, no large class of independent property-owners or professional men, whose position in society or material success or security can be altogether independent of the winds of political favour. Under modern conditions, the system that provided the ruling class in England between the Revolution of 1688 and World War I of 1914-1918 cannot work. We have not, either, that long experience of alternating Party in power, which can provide sufficient ministrable material on either side and for other dignitaries in sufficient numbers. The majority will, therefore, have to be disciplined party-hacks; and the predominance of the Ministers, and particularly the Prime Minister, in the name of discipline, to dictate to the ordinary members would be unquestioned. The Prime Minister is, in effect, the only power to appoint Governors to nominate Judges, to select Ambassadors, to determine policies which will create Contracts and Concessions, Subsidies and Subventions, will be sufficient to bribe any lot of loyalists, and terrorise any member of refractories Par-

liment itself may be influenced by a threat of premature dissolution, which will affect the majority in power as well as the opposition. There are also other measures which touch the sentiment, the vanity, or greed of an average member.

India has a social system so different from the British, when the latter developed the principle of Collective Ministerial Responsibility to Parliament, that the actual independence of an average member of Parliament is hardly likely to correspond to pretensions or professions of political purity. The squirearchy of Britain had its own cant about codes of honour; but it provided a social system which made its leaders independent of Royal favour or ministerial countenance. The average politician in this country would be much too anxious to secure personal advantage by a seat in Parliament, much too un-educated and un-inspired, to be able effectively to exercise that degree of intelligence or independence, which a member in England could do, thanks to the predominance of the landed interests, and the tradition of altering power in two chief parties. The landed interest is usually reactionary not progressive. But that also does not detract from the historical fact that it was the British landed interest, which, for its own sake, secured those Civil Liberties which make the British Constitution unique in the world. Our landed interest is reactionary without being independent. Our professional classes still suffer from the glamour of office. Our industrial class has yet to develop its tradition and technique of public service. Such wealth as there is in the country is in much too small a number of hands to make the country at large independent-minded. It is moreover so dependent upon the vagaries of Government policy that individual freedom of opinion, and real originality of political thought, can hardly be expected of them.

The Press in India, finally, has no traditions of independence which earned it in England the well deserved title of the Fourth Estate of the Realm. Our Press is a monopoly, owned and inspired by less than half a dozen finance—capitalists. And the writers in that press are, as a class, much too poor, much too anxious to secure for themselves a place in the sanctum sanctorum, to be able to offer really independent criticism. India has accordingly, none of the preliminaries or prerequisites of real Parliamentary Responsibility of Ministers. And yet she is expected to imitate the British model. We shall, I think

best secure a liberal democratic constitution by a Presidential, rather than a Parliamentary, type of government.

Fundamental Rights and Civil Liberties.

Yet another fundamental principle which has to be borne in mind while drafting our Constitution at the present time is that in regard to the assurance to every citizen of the Fundamental Rights of Citizenship. Certain Civil Liberties have become so rooted in our political consciousness and the idea of liberal Constitution that they do not need to be elaborated at any great length. Nevertheless almost every Constitution guarantees those Rights, at least in form, even though in fact they may not be given effect to as fully, universally, and unexceptionally as may be desired. The Draft Constitution of India provides for a number of such Rights and Civil Liberties; but they are neither as categoric or as wide as could be desired. The distinction, moreover, between what are "justiciable" rights, and what are only directives of policy, introduced on the score of practicability, is not calculated to promote civic freedom to the extent one may wish.

Several amendments had been tabled by me, accordingly, not only to make Fundamental Rights, which are admittedly "justiciable" better guaranteed, but also more fully assured by the Constitution. In the Draft, however, almost every Right is made subject to exceptions on grounds of Public Peace, Public Morals, Public security, or extraordinary emergency. Amendments seek to smooth out and provide a more straightforward assurance of those Rights. But they did not prove acceptable to the majority, and so were rejected. I consider, however, that these Rights are of such a vital importance in the daily life of the individual, that no one can sacrifice them without imperilling the essential freedom and progressiveness of the Constitution. Some of the excuses, moreover, alleged in the Draft, like a National Emergency, are capable of such wide interpretation, that they may be easily twisted to the prejudice of the citizen. Such a primary right as the Freedom of the Press, is not even mentioned; while the restrictive force of the "one process of law" has been deliberately whittled down.

On the other hand, in certain cases sweeping assertions have been made, which, to be practicable, need to be modified. For instance, "Untouchability in all its forms

is abolished", and its practice made a penal offence. It is known, however, that there are certain customs in every archaic society, and particularly ours, whereby women are periodically untouchable. But that cannot be deemed an "offence". Again, a certain amount of ostracism of the immediate relatives of a dead person, which is part of the funeral rites, cannot be so classed. Even more serious would be the case of Quarantine against those suffering from contagious and infectious diseases likely by mere touch to infect others. Segregation of such may have to be a local or a national necessity, which can not be treated as an offence against the Constitution. A public carrier refusing to carry any such person in his plane, car or bus, cannot be classed as an offender, and deprived of his right to exclude such persons from his vehicle, merely under a clause which abolishes Untouchability in all its forms. While that article stands and is obeyed in the form in which it is drafted, there would be a constant menace to public health, which it cannot be the intention of the Constituent Assembly to inflict. My arguments, however, have been all disregarded, and the clause stands as originally drafted.

I tried by another Amendment to guard those holding an office, like the President, the Central Ministers, or Provincial Governors against any temptation to be corrupt. While Ministers accept on their birthdays golden pillars or silver statues weighing hundreds of tolas, caskets or purses worth lakhs, there cannot be that immunity from corruption which it should be the first aim of a sound Government to ensure. The attempt, however, to make the President, Ministers and others in high places declare their holdings, divest themselves of the same by wether putting them into trust or otherwise disposing of them, so that they should have no temptation, was mockingly defeated. This was particularly deplorable in the case of holdings of such personages in those industries which are aided, protected or encouraged by the State, whose material success can be furthered or impeded by the favours or frowns of Government. If the highest leaders of the country set an example of the kind I have just mentioned, and accept valuable gifts from their fellows and admirers, those below them may be more easily excused if the latter receive irregular gratification for services rendered. The story has been told of an important officer in one of the Ministries who received lakhs worth of presents on the occasion of his daughter's wedding. And though that story loses much of

its pungency because all those presents were said to have been returned or refused after some public comment had appeared, the very fact that such occurrences are possible makes one suspicious of those who reject such amendments from the constitution.

V. Form and Content of the Constitution.

To secure these objectives and give effect to these basic principles, the form of Constitution is of first rate importance. For certain devices in the constitutional machinery may be sympathetic to that freedom of the individual, equality as between classes, and absence of any tinge of exploitation; while others may be lacking in such guarantees. It, therefore, depends entirely on the objective we are seeking to attain, the historical tradition, and the material environment in which a constitutional machinery has to work. Given our historical background, with innumerable links connecting us with the British system of Constitutional Government, it is unavoidable that a measure of imitation of the British precedents, conventions or law would be adopted in our own Constitution. It has been a trite but true observation that the British Constitution does not exist. In so far as a Constitution can be said to exist only if it is contained in a written document, the British Constitution, not being contained in a single instrument, may well be said not to exist at all. In this respect we cannot copy the British model, and allow our Constitution to grow in course of centuries by precedent, by Judge-made law, by usage and convention, or actual enactment by the Sovereign Legislature.

At this stage in our history, therefore, it is unavoidable for us to have a formal, written, comprehensive Constitution, even if in its essence it is modelled on the British system, and seeks to attain ideals and objectives of the British model. But while departing from the British model in having a written Constitution, it seems likely that the original model, in the spirit, if not in the letter, will be a decisive influence upon our own Constitution-making, Constitution makers, and Constitution workers. Recent experience of other countries, and the constitutional machinery they have devised under similar circumstances, can of course, be not wholly disregarded. But even after the best in every modern Constitution has been incorporated, the basis and character of our Constitution would be along the lines of the British practice,

The British objectives, environment and motivation, however, are and have been different, at least for the last 100 years, when Britain expanded into a world-wide Empire and consequent discrimination between Britons, their brethren overseas, and the subject races came to be made in the matter of the Rule of Law, or the freedom of the individual. The Sovereignty of Parliament was not confined to a single land, or a homogeneous people like England, Wales, Scotland, or even Ireland. It embraced Colonies, Dominions and Protectorates in all parts of the world, with every variety of law and custom, with every variety in the stage of civilization, with every variety of objectives. These, as developed and expressed in British imperial policy, only combined in aggrandising the fountain source of the Imperial might, and vested interests of local or colonial exploitation. Britain herself at Home was not the same in the nineteenth century as in the Centuries that had gone before. The nation was no longer of a uniform or homogeneous character. It must be admitted, however, that the ruling class of Britain was more sympathetic and more responsive, if not more representative, of the country as a whole, than the corresponding Ruling Class in any other European country or even in America. A country which aims at being classless, or the least influenced by birth, status or privilege, cannot adopt a Constitution which is the reflection of a class society, and will favour one section against another. If every citizen is to be assured a life free from want or fear, a life of usefulness, of freedom, of opportunity, it is of the utmost importance that models other than the British be also utilised, so as to give us the best that is to be found in every modern working Constitution.

Constitutionalism in this country is relatively very recent. Its growth is some three quarters of a century old. Political consciousness has come to India through modern education and is spreading everyday. The ideal of a ruler by right of birth is now unthinkable. The abolition of the Indian States, as they had existed for centuries, is symbolic of the future trend. If government is not to be of a single person born in the purple; and if the mass of the citizens through their responsible representatives are to be associated in the task of governance, it is inevitable that the new Constitution should aim at providing all the security and liberties of the individual, which we have come to

prize as inseparable from a sense of human dignity or decent civilized existence.

Our existing social system is the creation more of tradition, or custom, than of positive law. With sovereign authority with our own people, the new machinery of governance will have the power to modify that custom, or amend that tradition. How far such modification will help to change the age-old customs and habits of the people remains to be seen. The spread of education and the force of inter-national contacts may go a long way to make up for this. The new Constitution must, therefore, prescribe definite objectives, and lay down clear principles of action. It is in that line that any section about the intention and provisions of Constitution will have to be judged. Subject to this practical difficulty, a written Constitution would go a long way to give a clear line and definite direction, so to say, for social organisation, economic orientation and motivation of effort.

VII. Future of Constitutional Forms in India.

What form of Constitution shall we adopt? Several forms have been tried in the history of mankind; but not one of them may exactly fit the situation of India today, and help her effectively to attain the objectives she has in view.

Some of these forms are mutually incompatible. The main contrast, now-a-days being emphasised, is between a theocratic and a secular State. India has declared her aim to establish a Secular State,—that is to say, a State concerned with things of this earth, and governed by principles which have a tangible, objective value. In a Theocratic State, the influence of other worldly considerations, or what we are accustomed to call religious forces, will naturally predominate. We have, however, had bitter experience of the excesses of religious zeal at work in political function, and the incompatibility, consequently, of more than one rival religions remaining at peace side by side in the same State. It has, therefore, become unavoidable to adopt a secular organisation for the new Constitution.

That does not mean that in this ancient land of ours there will be no regard to values other than secular. The influence of religious belief and of customs born thereof is, and has throughout our history been, universal. But in the midst of these, the secular forces of Imperial domina-

tion, or centripedal tendencies were not wholly absent. It was possible to reconcile these two divergent forces while essentially a homogeneity of belief characterised the mass of the people. But when the consciousness of individual rights in a democratic organisation spread all round; and the effective differentiation between individuals seemed to run on communal lines, the stress on Religion, and formation of Parties based thereon, became unavoidable.

In the earlier days of our history, religious differences were not unknown. But the lack of modern type communication made the unifying nationalism of today difficult to operate. The organisation, therefore, of a secular State from the earliest days was unavoidable, without sacrificing the essentially non-worldly outlook, tradition and objectives of our people.

Another contrast is that between a Monarchical and a Republican Government. The monarchical principle has held sway, in this country as in others, until quite recent times. The influence of religion and the sanctity it imparted to the monarchical form, and to the person of the King, made that form of Government most common throughout the world. Though theoretically absolute, the King was in practice more or less restricted in the exercise of his powers, by custom, or the vested interests of aristocracies of birth or class. The religious sanction of the caste-system and the division of functions that went along with it also made for an effective restriction of monarchical absolutism. Nevertheless, in practice the tendency to exercise absolute power grew everywhere. The result was that Absolute Monarchy sowed the seed of its own decline. Power is corruptive, and absolute power corrupts absolutely. Everywhere consequently began the decline and fall of Absolute Monarchy.

The Constitutional Monarchy which grew later in countries like England was more acceptable, because of its very limitations. The exclusion of the monarch from the day-to-day vicissitudes of politics made for the strength, rather than weakness, of the principle. The King is an ornamental head of the State, and representative of the nation. He is a figure-head, but also a symbol, whose strength is the greater in proportion as the individual submerges himself in the Royalty that he embodies.

Such a form of Government must grow, rather than be grafted on uncongenial soil. Under present conditions in India, the Monarchical principle, as represented by the indigenous Princes, has fallen into decay, so much, thanks mainly to the degenerateness of most of the living representatives of that principle, that for a United India it is impossible to conceive of a single Royal Head of the State, or Ruler, even on the model of the British King. There can be, in the first place, argument as to the individual who should occupy that exalted position, even if we were agreed to the principle of Monarchical Rule. The abolition of Princely Rule even in those States, which, upto the beginning of our National Independence, had continued as Absolutist islands within the Indian Governmental system, is a certainty; and their place cannot be taken, their tradition cannot be continued, their system cannot be permitted to the newly constituted Rajpramukhs or Prince Presidents, that have been set up as ornamental mementoes and constitutional heads in the several Unions of States. Their constitutional welding into the rest of India has yet to be achieved. Not the least of the difficulties in the forging of the new Constitution of India, at least legally considered, will be the assimilation and absorbing what had hitherto been the "States Territory" or the "States People", utilisation of their resources, development of their potentialities, and assimilation of their administrative system with that in the rest of India. But whatever the consummation of the policy now at work, monarchical rule—even in the form of constitutional monarchy—is impossible in the future Constitution of India.

As for the Republican form, while there would be general agreement on the principle, its actual working out may present difficulties. The States are not yet all abolished; nor all Princes pensioned off. That is a slight difficulty, no doubt. But there is the membership, still continuing, of the British Commonwealth, where the British King is still the nominal Sovereign and Head. Ireland has had to sever the last link in the shape of the King of all the Dominions before it could be a real Republic. We in India cannot be a real Republic so long as this bond with the British Empire remains, however formal the tie.

With these two forms out of the question, India has to evolve her own form of Constitution from a totally different standpoint. The forms that now demand attention

may again be presented as a contrast between Federalism and Unitarianism. One would have thought that the Federal system of Government, particularly in the face of the recent tendencies the British Government had introduced with the regime of Dyarchy culminating in Provincial Autonomy, and emphasised by the recent admission of the States, would have been the most acceptable form for this country. In fact, the Government of India Act is based on that principle; and even now it is not wholly scrapped.

Unlike, however, as in other Federations, the principal units making up the Federation have, in this country, been the creation of the Central authority. The usual starting point, therefore, for a sound Federation, namely, agreement between the component units to form a new federal State, is unfortunately lacking. Whatever powers, functions, rights or duties are vested in the units, are, in the case of Provinces at least, devolution by the Centre from its own inherent authority, powers and functions. Even as regards the States, the limited powers they used to enjoy within their own territory were, in fact, if not in form, conditioned, in the ultimate analysis, by their being permitted and in harmony with the trend of the Government emanating from the Centre. This common prerequisite of a proper federation is consequently lacking.

The insistence in the past, moreover, of a Party, based on communalist lines in this country, upon the most limited margin of powers and functions being entrusted to the Centre, while every function, power and authority of any importance is entrusted to the units, has worked against that principle. Even the undistributed or the residual margin of functions was to be left to the units. The Centre would thereby be weakened into a mere pensioner or charity-boarder of the units. On that basis, the Federal structure of the Sovereign Indian State would be a most unenviable device, however well-suited that view may be to a practical working of democratic institutions.

On the other hand, given the size, the population and the very varying conditions in the different regions of India, this country may well be said to be unsuited for an effectively Centralised, Unitary form of Government. The slogan has in the last two years been widely favoured of a "Strong Centre". But, however strong by law or constitution we may make the Central Authority in India; however much it may be strengthened by the popular urge of self-

preservation, with keen memories of the early shocks our newly won independence had received, it is impossible to attend to details of local Government if the principle of Self-Government in Units is not to be altogether scrapped in actual practice. We have not even the necessary network of wide communications which would be indispensable for an effective administration, control and supervision from the Centre of the minutest detail of governance in the remotest regions, notwithstanding that we are supposed to be living in the age of electricity, or, still more, in the age of Atomic energy. Local self-governing institutions have been, in their modern form, in existence for nearly 70 years now. Village Autonomy is an ancient heritage, which is sought to be revived in its modern garb in almost every Province even under the new dispensation. In the case of the States, the smaller ones are forming Unions of their own; and each such Union may become a unit, component part of the Union of India. Only a few States still retain their individuality, like Mysore or Travancore. But if they also do not merge altogether, they will have to come into line with the rest of the units; so that a measure of uniformity may be attained.*

As for the old Provinces, which are too unwieldy and incoherent, there is a cry in many cases that they be subdivided. In their origin and essence, they were creations of administrative convenience for an exploitive, imperialist, alien Government. There is no intrinsic coherence or unity or solidarity in some of the most considerable Provinces between the different regions that make them up. Madras, Bombay, and, to a large extent, the Central Provinces, may require dismemberment on a Linguistic basis, which is supposed to provide a greater degree of internal unity, solidarity or homogeneity to each new unit thus created, than

* While these pages were going through the Press, the intrinsic weakness of the Unions of States formed in Central India was made manifest beyond doubt to such a degree that the Centre had to suppress the Ministry at least in one Union; and arrange to bring other Unions under more direct authority, power and control by the Centre. In some Provinces, also Ministries have proved unstable, thanks to local feuds or personal equation. The over-riding influence of the Congress Party has so far succeeded in ironing out these differences, and maintaining the essential complexion and basic policy of Provincial Ministries in line with the Centre. But these developments clearly necessitate a greater measure of Centralisation than would be really desirable in the interests of Provincial Autonomy.

the existing conglomerates can pretend to. Large States, like Hyderabad, may similarly necessitate reconstitution on the same basis, if it is accepted and agreed to. If this tendency realises itself, and at the same time the national solidarity is not to be impaired by the emphasis on provincial patriotism, we will have to evolve some form of a compromise between a purely Federal and a purely Unitary form of Government. The Draft Constitution seeks to strike a new note in this regard. India, the new sovereign State, is to be called the Union of India, which by itself emphasises the tendency towards a strong Centre that another expression e.g. the United States of India, may not convey.

On the other hand, the term "State" is employed in the very first article, to designate the Units. That terminology implies that they, too, have a Statehood of their own, which would be recognised as an important element in the political consciousness of the country. They must, therefore, have powers, functions, authority, resources and responsibility for Self-Government within the area and population in their charge, which, even if not the same as those of an equal member of a Federation, would nevertheless be adequate for their purpose.

The main problem lies in the distribution of powers and functions; resources and obligations, as between the Union and its component Units. The Draft Constitution includes tentative Clauses, which would need very close scrutiny and clear analysis. For, unless the Units are reduced to be entirely dependent upon the Centre, like poor relations, there would be no hope of a real, living working democracy. By its very Constitution, the Centre, in a country so large, so populous, so varied as India, can only be governed by the chosen delegates of the people, who work through their responsible delegates, the Ministers. The latter are theoretically responsible to the people's representatives. But that responsibility is remote, indirect, spasmodic. Even if we call it democracy, it is third-hand. Actual, living, pulsating democracy can only be if the unit of Government is of a manageable size, in terms of population, area, resources and obligations. Those of us who are believers in a working democracy will, therefore, have to see that the principle of the Government of the people, by the people, for the people, is not sacrificed altogether in the desire to attain and maintain a strong independent nationhood, which seems to be the urge of the present mood.

I will not discuss here whether a real democracy, as I imagine it, is feasible under present-day conditions, for a country of the size, population and complications of India. I cannot stop to examine how far, with the immense leeway which we in India have yet to make up in the matter of the moral equipment, intellectual enlightenment, and material regeneration of our masses, we would be wise in having a system of governance in which authority tends to be diffused, weakened, and wielded by those, not the most capable, not the most sagacious, not the best trained and disciplined as Plato advised, but the most loud-mouthed, the most credulous, the most ignorant. I will not even pause to consider whether, with the ideal of Swaraj we have evolved under the inspiration and leadership of Gandhiji, we are traditionally constituted to work a modern democracy for an industrialising community, aspiring not only to political, but economic, equality as well. For without economic equality, political democracy will be a farce, a fraud, and a mockery. Without social justice for all, political power can only belong to a rapacious few. I would simply assume that we have inherent strength of our own and faith enough, that we have leaders, enlightenment enough, that we have an inner urge and driving force strong enough, not to fail in finding and working our own branch of a real Democracy, in which none will be exploited, non-submerged, none denied or deprived of the right to a decent civilised life of self-expression and self-fulfilment.

VIII. Organs of State : Distribution of Powers & Functions.

While discussing the various forms of the Constitution, particularly the contrast between Federal and Unitary models, reference was made to the distribution of powers and functions, or the division of Sovereignty. That becomes the peculiar characteristic and distinguishing feature of a Federal Constitution. Such a division of Sovereignty becomes still more pronounced, not so much in regard to the distribution of powers and functions, rights and obligations as between the Centre and the Units; but as between the several organs of the State, I mean the Executive, the Legislative, the Judicial. In point of history the first is the most important; in point of present day practice, the second is the most considerable; in point of preservation, the last is the most indispensable.

In the American Constitution, there is a complete Separation of Powers between the Legislative, the Judicial, and the Executive organs of the State. Each is sovereign in its own field; each is independent of the other two; and each functions within its prescribed limits, so as not to encroach upon the corresponding sphere of action assigned to the others. The fact that the Legislature has the right to make laws on all subjects and affecting all individuals within the State, is an emblem of the Sovereign authority of the State in the legislative sphere. But it does not affect the equal sovereignty, in its own sphere, of the Judiciary. While not making the law, it is the sole authority for interpreting it. Its interpretation may, quite possibly, amount to declaring a law made by the Legislature as **ultra vires**, or unconstitutional, according to the law of the Constitution, and the powers given thereunder to the Legislature. Its finding, declaration or interpretation would be the correct interpretation of the law; and no amount of the speeches, commentaries, gloss or explanations, which the legislators may have made in the course of the passage of the law through that Body, would influence or affect the interpretation.

Similarly, the Executive is equally independent of both—the Legislative and the Judicial organs of the State. It is supreme in the sphere assigned to it, i.e. of giving effect to the laws made by the Legislature, or the interpretation given thereto by the Judiciary. Any act of the Executive may, however, be declared illegal by the Judiciary, if it in any case contravenes or goes beyond the Constitution or the laws made thereunder. Similarly, its actions can be made illegal for the future by the Legislature in accordance with the law-making power within its sphere, even though it may be against the wishes or the policy of the Executive for the time being.

This may sound to be somewhat complicated machinery; but it provides the only real guarantee of the Civil Liberties of the people being maintained, and the Rule of Law held supreme, as against the arbitrary action either of the Executive, or the unconstitutional law-making by the Legislature. The fear of the former was the decisive factor from past experience of all modern Constitutions providing such safeguards. The chance of the latter also exceeding its authority is not negligible; particularly in the days when Party influence is so predominant, and

Party interests may lead to law-making; or executive action, against the spirit or the letter of the Constitution.

The system, however, is not, in effect, so complicated as it appears, and much less unworkable than it often is made out to be. It has worked for nearly 160 years in the United States of America, and in Constitutions which have been modelled thereon. It has got links, or devised means, whereby, while the theoretical Separation of Powers is complete, the means of collaboration are not absolutely lacking. The chief Executive, for instance, has the right to make appointment to the Supreme Court of Justice. The Judges, it is true, once appointed, are irremovable from office during their life, except for stated misdemeanours. But in this sphere a clear contact between the Executive and the Judiciary is evident.

The chief Executive, again, is also the Commander-in-Chief of all the Armed Forces, at Home and abroad. He is also the head of the civil administration, the forces of law and order, including all the public servants functioning thereunder, at Home and abroad. By this means, the head of the State becomes responsible, in the last instance, to the people; his acts are reviewable by the Judiciary; and his policy liable to be defeated by the Legislature.

The Legislature, too, has means whereby it can consult the Executive or those concerned with the actual administration. There are House or Senate Committees in the United States Congress, relating to almost every Department of Government. And both the laws relating to each such Department, as well as providing the ways and means for its working, are within the competence of the Legislature to provide. The latter, however, usually holds previous consultation with the administration affected before enacting any such legislation, or voting any such grants.

Though the Judiciary remains a little more apart from either of the two preceding, the Judges have, in the last instance, to acknowledge the legal right of the Supreme Legislature to change existing laws, or make new ones; and ultimately also to secure a popular verdict, even up to the point of amending the Constitution, if changed circumstances or unduly conservative interpretation of the Constitution may so necessitate. This fact alone suffices to make for an invisible, but not the less effective, link.

In the British model, however, this doctrine of Separation of Power is, to a considerable extent, modified. It is not the **de jure** Head of the State in Britain who is responsible in his own person to any authority in the land. He is a hereditary monarch, succeeding to his high post by right of premogeniture, and not by any sort of a popular vote, though the line of succession has been fixed by legislation as well as the conditions of Kingship. Every incident or contingency of the King's life,—minority, insanity, absence, illness, abdication,—has been provided for by long established usage and well-known precedent. Nothing is left to chance, to freak of fortune, or varying moods of popular fancy. Responsibility, consequently, attaches to the **de facto** head of the Government,—the Prime Minister—who is chosen by the people, indirectly at least. It is the Ministers who are responsible; and these Ministers, collectively called the Cabinet, are Leaders in the Legislature, and yet responsible to it. The laws passed by the Legislature may be interpreted and enforced by the Judiciary, appointed nominally by King, but in practice irremovable from their place except on an address of both Houses. The judges cannot declare any law **ultra vires** or unconstitutional, since the supreme authority of Parliament is unrestricted, un-exceptioned, and uncontested. Parliament, the Legislature, can make any law, on any subject, in any form it pleases. The Judiciary has only to interpret. The independence of the Judiciary is secured by life appointments of Judges. An unbroken tradition of 250 years leaves them undisturbed in their office, subject to good behaviour, for all their life. The Lord Chancellor, however, who is as it were the head of the judicial system, is a Member of the Supreme Cabinet, coming into or going out of office with every change in popular favour. Hence in the Cabinet are united the Chief Executive, the Leader of the Legislature and the Head of the Judiciary.

It seems very likely that India will follow the British model, without of course, British tradition, precedent or habit of mind and thought. The danger this country has in copying that model is scarcely perceived by those in authority now, though, in their days of agitation and opposition, they had been the loudest in demanding complete separation of the Judiciary from the Executive, and even of the Executive head from the Legislative Chair. The Draft Constitution does not even attempt to secure this traditionally hallowed objective of the Congress ever since

that body came into being. No amendment of the Draft, calculated to achieve that end was acceptable to the present leaders of that Party. A mild compromise has been effected, which promises some day to make this separation, at least at the lower level of the District Magistrate and Collector, as he used to be called in the Regulation Provinces. But the categoric enunciation of the Separation of Powers was flatly rejected.

The appointment of Judges during the pleasure of the Head of the State is in itself objectionable, as tending to restrict their independence. The practice, likewise, recently growing, of transfers from the Judiciary to the executive side, as ministers, ambassadors, Governors and the like, leaves room for exercising Party patronage, which is certainly undesirable if we wish to maintain the impartiality, independence and integrity of the Judiciary. It is bad enough to have the highest judicial officers selected from advocates, who, by a life time of practising law, acquire a mentality of partisanship which is not in the best interests of popular liberty. But it becomes a thousand times worse when Judges of the highest tribunals are open to temptation by the Executive offering them glittering prospects of power, prestige, and patronage.

The Constitution should, therefore, categorically forbid any translation of a judicial official from his own line to any other, which may serve as a possible temptation to swerve from the path of judicial rectitude and independence. And the same principle should be applied to other public servants of eminence and influence, especially on their retirement. They should be debarred from accepting, even on their superannuation, any post in private employ, which may conceivably enable them to utilise their knowledge, connection, or influence, acquired in the course of their public service, for the benefit of their private employer.

The absolute sovereignty of the people collectively is also not as amply recognised in the Draft as it should have been. Formal expressions are, no doubt, included in the Pre-ambule; and high sounding platitudes overflow in the Objectives Resolution. But when it comes to implementing these pious periods; when it comes to providing machinery which would make the Sovereignty of the people a really effective, daily phenomenon, the sponsors or makers of the Draft Constitution seem to be hardly willing to do so.

I had proposed Amendments which would have brought into the Constitution a working device of Referendum in times of urgency or constitutional deadlock. Even direct popular Initiative should not have been deemed too much by those who really believe in popular sovereignty.

The Recall of undesirable Ministers by popular vote is unthinkable to them. None of these suggestions was accepted, and very little reason was advanced in support of the attitude taken by the authors of the Draft Constitution. Such argument as was advanced reflected their own fear of popular sentiment, of the mass mind, particularly while illiteracy is so appalling in the land, and the competence of the Electorate on an adult franchise to exercise wisely such active sovereign authority is yet to be tried out. People, however, cannot learn the art of self-government, unless they exercise it. The possibilities of mistakes cannot be ruled out. But in such matters it is mistakes which teach. Any attempt, therefore, to guard absolutely against the possibilities of even a mistake is apt to be more harmful than advantageous to the cause of popular freedom and to the working of democracy.

Very little more need be said on this question of Separation, or rather Division, of powers and functions, as between the Units and the Central Government. The perfect assimilation of the former Indian States, or their Unions, with the erstwhile Provinces has yet to be achieved. The principles and tradition which have hitherto governed the States, and the Conventions which governed the Provinces, have both to be remodelled and harmonised in a common framework. The autocratic rule of absolute hereditary Princes has ended in the States; and Responsible Government, with a degree of local autonomy, has been introduced as in the Provinces. The distribution of financial resources and obligations, as between the Centre and the Units, is being formed into a common pattern. Individual variations as between different regions e.g. in the Land Revenue Systems, cannot all be abolished at once. But a common model is shaping all around; and the new system is likely to be far more homogenous and uniform than was the case throughout the ages of our history.

Until that is finally achieved, however, it seems unlikely that the distribution of powers and functions, resources and obligations, would be based on sound scientific lines. Those, however, who consider that a real,

living, working Democracy will be practicable only at the Units level; and that at the Centre it would only be a delegation of authority twice removed, so that democracy there would only be indirect, seeking to fashion out a really sound, liberal Constitution, cannot but wish that the sphere of activity left to the Units will be much larger, their initiative more direct, and their resources more abundant, than the Draft Constitution provides. I have tabled certain amendments on this point even in the Draft Constitution; but, as usual, there is little hope of their being accepted. I fear the working democracy in the India of to-morrow still remains a dream.

VIII. Formation of Organs of Government.

I have already far exceeded the normal span of such an address; but there are several provisions in the Constitution relating to the formation of the organs of Government, which must be briefly noticed before I close. In almost every one of them, no regard seems to have been paid to the requirements of working Democracy at its highest. If anything, the democratic principle is restricted and hemmed in on all sides, and liable to perversion. It may not have been the intention of the draftsmen to do so; but the result seems to be inevitable. I may illustrate this by reference to the provisions relating to the powers vested in the different authorities, the mode of election or appointment, and the term of office of the President or the Head of the State. The system of election even to the Central Legislature is likely to be indirect. Certainly, the election of the President is to be indirect. His claim, therefore, to represent the entire Union and all its peoples will be highly questionable. The Governors in the units are to be nominated, not elected by the people of the Province. The President will be a creature of the Party dominant at the Centre; the Governor will be a creature of the President; the Judges of the highest tribunals will be nominees of the Central Cabinet; and the Central Cabinet itself will be dependent upon or submissive to the Prime Minister. Neither Parliament, nor even the sovereign people, will be able to raise their head easily against the master juggler at the centre. Until one Party domination disappears and a greater variety of political opinion emerges; until the Press is more emancipated more free and better equipped

to be in reality the Fourth Estate of the realm; until the Electorate is educated to a clear perception of its responsibility in an independent and democratic India, we shall have little hope of real popular self-government.

Conclusion.

This is a very brief, and only an outline, survey of the Draft Constitution as it stands today, though I have taken much more over it than the legitimate proportions of an evening's address. The points on which amendment, improvement, or alteration is needed have been indicated; but the full bearings, implications and consequences of the existing provisions, and the consequent need for amendment, cannot be discussed adequately within such limits. The authorities concerned seem adamant. They are impervious to any suggestion, the most friendly and reasonable, the most obvious and incontestable, for improvement. There is provision, no doubt, in the Draft for wholesale or local amendment of the Constitution. But a constitution should not be lightly changed. It must be built to last; not to bend before the lightest breeze of passing sentiment. It must be elastic, no doubt; but on the ground of elasticity no room should be left for distortion or persuasion. And above all, it must be sound at the foundation. Its basic principles must be well and truly defined; and its guiding aims should be no less clear. The Draft does not satisfy any of these requirements. Let us hope we may not have to repent at leisure what we are so much in haste to pass.

