Honourable Pandit Jawaharlal Nehru, Vice-President of the Interim Government, to deliver his inaugural address.

The Honourable Pandit Jawaharlal Nehru made a few prefatory remarks in Hindi (Appendix A) and then addressed the gathering in English. He said:

Mr. President, about two months ago, I was invited by the representatives of British Commerce and Industry to address them in Calcutta. We met, we had a frank talk and I ventured to place before them frankly my own views about the future of industry in India, more particularly of the place of British industry in the India of the future. Obviously, India was changing rapidly and coming to her own and I said that others from outside India would have to fit into the structure that we produced in India. That was clear enough. Nevertheless, I told them I saw no reason why in the India of the future there should not be a place for industrialists and businessmen from outside, provided they fitted into the structure that we produced in India. Our structure would necessarily be based on considerations of India's progress and the benefit of the hundreds of millions that inhabit India. Within that scope, I saw a place for others also.

Now, today, I have the honour and privilege of addressing you on whom, after all, a great burden—a greater burden than you have had in the past—is going to fall in regard to India's progress. And yet much as I appreciate this honour, I feel a certain difficulty. The difficulty lies partly in the fact that I am a little embarrassed as a member of the Government of India to speak to you about many matters that are before you and might interest you. Secondly, the difficulty lies in the situation itself. It is a very difficult situation from every point of view, whether political or communal but much more so from the economic point of view. Now, I am no expert in financial and economic matters, though necessarily I have to try to understand them and I have to try to come to conclusions about them. Sometimes it has struck me that perhaps those who are not such great experts might even understand a little more than the great experts. However, there is this advantage that I have over some of you perhaps, that I have tried and I do try to look at these problems always in their larger context. I have tried to see them not by themselves alone but in relation to a hundred other problems, because at any time it is wrong to isolate a problem and this is much more so today when they are all interlocked, interrelated and overlapping.

And yet, when you come to think of the problems of India, immediately you run into other problems—international and world problems. You simply cannot ignore them. Therefore at this moment of difficulty, when we are faced with problems of this type, it is not an easy matter to say precisely what we should do or should not do.

But before I say much about any particular problem, I want to appreciate somewhat this wider context in which we are living. You have referred in your speech, Sir, to the recent statement made by the British Prime Minister in regard to the imminent withdrawal of British

power from India. Obviously that statement, or rather the facts which made that statement inevitable, make many people, who have been moving in their old grooves and not paying attention to these major factors, sit up and stand up. The fact is that behind that statement, generous as it is—because it is certainly a brave act to recognise facts and many people try to avoid recognising the most obvious facts—there is a certain dynamic quality about the Indian situation, whether you consider it politically or economically, which cannot be ignored and which cannot be stopped.

India is going ahead in spite of stumbling blocks and set-backs. You cannot stop India (Hear, Hear and Applause). On the political side of it, the British Government recognise that and we must appreciate their wisdom and courage in doing so. But the fact remains—and from that fact flow other facts—that India, as she is situated geographically and economically, inevitably is going to be the centre of Asia. (Hear, hear). It is going to play an important part not only in all questions connected with trade and commerce with regard to South East Asia but it is also intimately connected with problems concerning the defence of that region, as also Middle East and West. So, India becomes in a sense the hub of the future working of Western, Southern and South Eastern Asia. We cannot escape that fact and we have to live up to it.

Recently Dr. Evatt, the eminent Foreign Minister of the Commonwealth of Australia, delivered a speech which you might have read, in which he referred to these South East Asia problems, in which he realised that it was necessary and essential to have co-operation between the countries of South East Asia for the solution of Pacific problems in which he thought that the co-operation of India was also essential and he invited India's co-operation. That was a wise speech of Dr. Evatt's and the general policy that the Australian Commonwealth has been following in regard to foreign policy has been a wise policy, because it is thinking in realistic terms of the present. It is thinking of these areas which are tied together. Whatever their political differences might be, they have to go together.

And yet, it may be—in fact I think it is bound to happen—that as we progress more and more, we shall have to consider in common with these other countries, of the East, South East and West, common policies and the development of common lines of action, not because of political affiliations and political boundaries, but because economic and defence factors over-ride these political boundaries and other considerations.

So, thinking of the problem of today in this larger context of India, playing this important role all over Asia and also in world affairs,

we are only going to play that role if we make good in our own country. If we do not, others will play that role and we shall waste many years in mutual controversy and conflict.

There are many problems facing us. I do not propose today to talk about political problems. I would rather like to draw your attention to something which may be of more immediate interest to you. I should say that possibly the most important of the immediate problems today in India is to add to our output, our production. It seems to me that almost everything depends on adding to our production. If we don't add to it, we cannot even begin solving the other problems. We have vast schemes being planned—dams, reservoirs, irrigation schemes, hydro-electric works and scientific research and technical institutions, educational progress, etc. Now, all these schemes are meant ultimately to help in the production of wealth in India, the production of a better type of human beings and more wealth in India. All these schemes require resources. Where are those resources to come from? We can think of many ways and our financiers know how to do these things and no doubt we shall take advantage of their clever ways but necessarily, ultimately, we must depend upon our capacity to produce wealth in this country.

There has been far too exclusive a stress laid on production in the past and even though production is the most important thing at the moment, I want you to remember that far too one-sided a stress has been laid on production alone in the past, it being thought that distribution might well look after itself. Distribution will not look after itself in the future. If there is no proper distribution, no proper social justice, there will be conflicts on an enormous scale. Therefore distribution must be taken in hand and considered as a highly important factor. Nevertheless, I do say that production is the first thing needed today.

We have on the one hand demands—and generally speaking they are justifiable demands and right demands—from labour for a higher standard of living, for higher wages. Examined separately, there are very few persons who can say 'No' to them or should say 'No' to them. We want these higher standards. Yet obviously we can only get the standards which we can pay for. We cannot create standards out of nothing and if we have not got enough, we simply cannot pay for them, and a slow paralysis creeps into our system. Now, unfortunately, we have got into a vicious circle. Justifiable demands for higher wages lead to strikes. Strikes lead to loss of production and less capacity to pay and so, although perhaps for the moment higher wages may be granted the capacity to pay higher wages grows lesser. This is worthy of notice not only from you but from the leaders of our workers who are in the trade union movement. What is the policy we

should all pursue in this matter? If, in our desire, which may be justified, to gain something for the moment, we injure our own prospects for the future, then it is not the path of wisdom to pursue this method of striking at every possible opportunity.

Today one of our greatest difficulties is the coal situation. We have just seen or read what has happened in England in regard to the coal crisis. The British people have probably seen in many ways far greater difficulties than most countries in the world. Their future is beset with difficulties, and yet they are facing them bravely and putting up with all manner of privations because they realise that that is the only way to face a difficulty. We have seen this coal crisis there. We are not exactly facing a similar crisis here. Nevertheless, the coal position is very difficult, and on the coal position depend so many other things. The coal position depends partly on the transport position. If transport does not function properly, coal cannot be despatched to various parts of the country and thus industry suffers and everything else suffers. The result of all this is that the capacity to produce is greatly diminished and the capacity to pay, whether it is profits or wages, also diminishes. So, it is about time that all of us thought of these questions fundamentally and not only in terms of one's own profits, dividends or wages, because this individual and separatist thinking is likely to lead to the injury of all. I hope that it may be possible for these matters to be considered, not formally, by expressing our own interests but rather by trying to think of the interests of the country as a whole at the present juncture. I hope that it may be possible for the representatives of labour, representatives of industry and others concerned to meet together rather informally and to have frank talks also with the Government on this situation and try to find a way out and to avoid any step being taken which may be injurious to all, because at the present moment we must keep up our production, increase it and then distribute it justly. Obviously, not only we in India but people all over the world are on the verge of a transition and are trying—shall I say—to find a better method of economy. How long they may take to find it and what immediate steps they will take to find it, I do not know. Obviously, we are in a period of tremendous transition, politically of course, in India and possibly more so economically. I am not prophet enough to say exactly what shape it will take and how long it will take. Perhaps many of our troubles all over the world are due to the fact of our being in this period of transition. When you are in such a period, you cannot think on static lines. You cannot just think in the way you have been accustomed to think. Nor also is it safe to think entirely on idealistic lines as to what you want. Although, I think, we should also in our thinking as well as in our practice have plenty of idealism, nevertheless there is this danger

irrigation, prevention of floods, etc., but the most essential scheme is the production of power and the sooner we produce it the sooner will India be industrialised. The sooner we produce this power for our basic industries and the machine-making industry, the sooner we lay the real foundation for industrial growth, otherwise we are always dependent on others.

Now, some of you talk vaguely or definitely about the Government doing something which will crush industry, which will prevent industry from growing and which will prevent new schemes from being undertaken.

All this seems to me so very far removed from the conception of what our industry must be. That is surprising. Why all these big schemes and planning and all that unless we want industries to grow in a big way in India, and not in any small petty way as it has more or less so far done. With strong foundations, the whole policy of the Government, in so far as I can speak for the Government, is to bring about the industrialisation of India (Cheers), to encourage the use of all India's man-power in every possible way. I say when I talk about industrialisation, for my part, I do not see any serious conflict between the development of cottage industries in India and industrialisation of India (Cheers). If we want to use all our man-power it is quite impossible for us to absorb it in these big industries for a very long time to come. Even if you have millions and millions coming into the big industry, yet tens of millions remain. Therefore, there is no essential conflict though there may be a little difficulty in planning and overlapping which can be adjusted. The problems of yesterday are not those of today or of ten years ago. I read in the paper the other day Mahatma Gandhi laying stress, as he has often done, on using India's man-power to the best advantage. That ought to be axiomatic with us.

It is absurd for us even to develop industries at the cost of growing unemployment. In fact, we cannot do it. The time has come for us now to proceed as we might have done say 20, 30 or 40 years ago. We have to use the man-power in some way, to counteract unemployment, to develop industries as rapidly as possible. All this requires the most careful consideration and handling. Again, I must say that this planning business does not pay too much attention and also the economic factors do not pay too much attention—to the question of boundaries. For instance, if we have the Damodar Valley Scheme, that applies to at least two provinces, viz. Bengal and Bihar. It is not either a Bengal or a Bihar scheme. In many of these big schemes it is true to say that they do not follow rigid boundaries. If we have a river Commission like the Ganges Valley Commission it would apply to three provinces. We shall have

such big river commissions. If there is any talk of planning of any particular type, it will have to be for the whole of India and that is the essence and meaning of planning. We simply cannot do it for any particular area or province.

There is, again, this difficulty. If we plan for the whole of India, the only right way to plan is to bring the industrially backward parts of the country up, help them to go forward, so that they may become part of a balanced India. It cannot be that some parts of India should be industrialised while other parts remain wholly agricultural. That will be bad for India not merely from the defence point of view, but from all points of view, because it is an acknowledged fact that industries should be spread out over the whole country, so that in any planning, one has to take care that industries are fairly spread out and that industry is specially encouraged in places which are backward industrially and are not concentrated in the present industrial areas unless there are major and overriding considerations for doing so. This kind of development will not take place if you will look at this planning problem on a partial or parochial basis, or a provincial basis or on a regional basis. Of course, you will have to give strict attention to the needs of industrialisation in the province, area or region; and inevitably India is, and is going to be, with a great deal of Provincial Autonomy, highly industrialised. Without the co-operation of the provinces you cannot simply plan in the province. Nothing can be forced against the will of the province. The province will have to agree to carry out the planning, but the whole conception of planning, if it becomes merely provincial, will become ineffective. (Hear, hear.)

So, I want you to consider these things patiently. You are perhaps a little excited, a bit upset at the present moment, and somewhat depressed (Laughter) about the raction of the Budget proposals (Long laughter). I think it is improper for me as a Member of the Government to deal with these proposals which I will no doubt discuss with my colleagues in the Government and specially with the Finance Member. But I want to tell you that first of all you must view this question in this knowledge and context. Secondly, we want to proceed in this and other matters in the closest co-operation and we may agree or disagree—that is a different matter—but we want to seek that large measure of co-operation of the people concerned, and, if possible, show the Finance Member the way. I am sure the Finance Member will welcome it. Any brilliant suggestions that you might put before him, if you point out anything that can be done better or anything that is not injurious to the country's cause, I am sure that that will produce an effect on him and he will think about it. He will try to find some way, which while it helps the end he has in view does not injure any of the industries. The main thing is that we

want industrialisation and are not against it. It is entirely wrong for you, if you think, if you imagine that this Government, or any Member of this Government, is out to injure industries. That would be a folly, because that—I want to stress this point—would be a bar to industrial progress and industrial growth. Greater output and greater production—all that would go by the board if we intended to do something injurious to industry. We want to provide facilities for industrialisation and facilities for production. The whole conception is different. Then, as I have said, whatever we do, we do only till such time as you want us to do something else. If we have committed a mistake, we will change it. After all insofar as this is what is called a popular Government it cannot function away from the people. It must and can only be a servant of the popular will (Hear, hear and applause). What the popular will is (Laughter) will be known in the course of time. As a member of this Government, the moment I feel that I do not represent the popular will, either myself or any of us, either as representatives in the Assembly, in the Government, or outside, that I am going contrary to this will, well, I have no longer any place left in the Government for any office. But obvious as this is, it is clear also that to have these very difficult questions before us and to have to balance so many factors is no easy thing, or to find out immediately and clearly what is the 100 per cent right course to follow. We have of course a very great deficit to face. We have probably very large demands to face and further demands are expected from the recommendations of the Pay Commission. It will not only affect the Central Government but all the Governments in India. Naturally there will be reactions and how and when are these going to be faced. It is a difficult matter to face and we can possibly shift the burden or try to shift the burden to the next generation or the next one or two generations. It is, I say, a rather timid thing to do. It is better to face the burden today and expedite or accelerate progress rather than simply carry on and follow what would be rightly considered as a popular and pleasing policy and yet it may involve a great deal of unemployment tomorrow. All these facts have to be considered.

I am not expert to say whether this is all that is needed. I am merely placing before you the various considerations that have to be borne in mind and I want you specially to appreciate that this Government—or any Government whether we were there or not—any Government functioning at the Centre, cannot but have a policy of encouraging industry, encouraging production in every possible way. We are certainly going to follow up this policy. (Applause.)

I heard a little while ago a reference to the position in England. I was reading of it only last night and a friend brought to my notice the British White Paper issued on the economic situation in England.