

A PRACTICAL PLAN
TO AVERT
NATIONAL ECONOMIC CRISIS



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MAHADEO PARASHURAM CHITALE

A PRACTICAL PLAN

TO AVERT

NATIONAL ECONOMIC CRISIS

BY

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FOREWORD.

Mr. M. P. Chitale asked me to contribute a Foreword to his book, and I do so with the greatest pleasure. His book offers a Five-Year Plan for India, its purpose being to infuse new vigour and energy into the national life of our country by bringing down illiteracy, improving agriculture, establishing industries large and small, bettering the sanitation, health and physique of the population, in short by galvanizing into activity the common mass of people at present sunk in lethargy and helplessness. He seeks to achieve it all, on the basis of voluntary service and free organization of the people. He calls upon the young men of the country to offer to the motherland one year of their life-time on the analogy of compulsory military service in other countries. The devoted services of millions of young workers and thousands of experienced guides and mentors would be required if the problem of India's uplift is to be seriously tackled, and a poor country like India can command such services only on the basis of service and self-sacrifice on the part of her sons and daughters. Free National Service for one year or at any rate, service for mere subsistence is the central idea of Mr. Chitale's thesis, and he works it out in pretty full detail.

The self-complacent 'practical' man will exclaim: What a visionary project! Has anybody heard of lacs of volunteers working for mere subsistence? Mr. Chitale's challenge is: Show me the better way. If Government has not the funds, and the Public has not the Will, how is India's lot to be bettered? Are we to wait till the crack of doom complaining of obstacles and difficulties? And if we are not to, Mr. Chitale's would appear to be as eligible a plan as any other. Mr. Chitale is not a visionary: he is a practical man, furiously in earnest. The situation demands a solution; Mr. Chitale offers one, based on self-help.

This was the impression left on my mind by the reading of Mr. Chitale's book. Any one who has a just conception of the Indian problem, will read Mr. Chitale's book with respectful

interest. I have not had the pleasure of ever meeting Mr. Chitale, but when I read his book, it struck me as the performance of a man at grips with a great problem. It may not be amiss to introduce Mr. Chitale to his readers. He hails from Ahmednagar, and for the last fifteen years has been a practising Advocate in Tanganyika. He was for a time a member of the Tanganyika Legislative Council; he holds a leading position in the Indian Community of Tanga, being at present the President of the local Indian Association. A book written under the compelling urge of conviction by a gentleman of his rich and varied experience demands attention. I take this opportunity of whole-heartedly commending it to the Indian public.

A brief out-line of the plan in Mr. Chitale's own words will be found at the end of the book, as Appendix C. Mr. Chitale intended to give it publicity through the columns of some newspaper, but later on dropped the idea. It is reproduced in the Appendix, in its original letter-form.

The publication of the book was delayed considerably on account of various difficulties. I am glad, however, that I have been able to see it through the press in time for the forthcoming session of the Indian National Congress. Members of that body ought to feel interested in this plan of national self-help. It is certainly worthy of their serious consideration.

FERGUSSON COLLEGE, }
POONA. 18-12-1936. }

P. M. LIMAYE

Author's Note

The idea of the plan contained in this little book first occurred to me about the beginning of 1934 or end of 1933 and the outline of the book was then made and the introduction and part of first Chapter written. But as Political reforms were still uncertain and Indian public was still wholly preoccupied with politics, I did not feel that the time was yet ripe for national activity to be attracted to the execution of the plan then. Personal difficulties contributed in some measure to this conclusion. I did not, therefore, complete the thesis then.

The Joint Parliamentary Committee on Indian Reforms after a long delay reported in November last. This disclosed how far the British Parliament would go in the matter of reforms or rather how little they were prepared to concede. This report of the Committee — or rather summaries which I was able to see — showed that all our political agitation has failed in obtaining any considerable measure of power to India in the Governance of India. We do not know when real power will be transferred to Indians. It may take another generation. I therefore came to the conclusion that it was undesirable to wait any more for comprehensive economic and social re-building of India and decided to put my plan before the public as soon as possible.

I therefore wrote out the rest of the thesis in January last. When either the scheme was first conceived or when it was written out, I did not know that there were others who have also been thinking more or less on similar lines and have already put their schemes before the public. I have not seen myself any so far. If others have worked out such schemes or operating them, I have no knowledge. I have only heard of Mahatmaji's activity regarding village industries. But even there I do not know of his method of work.

It may be contended that as others are already in the field, my thesis and scheme is useless and a waste of labour: I respectfully disagree. No contribution to thought is useless. In any case I feel confident that there are enough suggestions and ideas in this thesis, however insufficiently developed they may be, to

make it useful for actual workers. Development is necessary in Education of the masses, village industries, as well as large scale industries and allied matters. Concentration on any single branch of development to the exclusion of others is insufficient. But all these must be undertaken simultaneously. Even if the Government were willing to undertake the task, they could not do so without imposing heavy taxation. My scheme suggests a more convenient method through volunteers recruited for one year's service on bare maintenance basis. If you grant that ours is a vast problem which has to be tackled in a comprehensive fashion, and without imposing too much burden on the public, and if you also grant the extreme urgency for re-building of the nation, then I feel certain that it will be difficult — if not altogether impossible — to find an alternative to the scheme proposed in this book. It may look like presumption on my part to say so. It may be. But I am not out to mince matters or to stand on ceremony or to profess false humility. I have written the thesis with a definite purpose for a definite programme of development from personal convictions arrived at by the laborious process of anxious thought and not inspiration. And I keenly desire that some thing should be done about it and a start should be made at once. Delay will increase our economic danger every day. In 1940 we shall have close on 380 million population. This alone is sufficient danger signal for us to take warning at once. As to who should "bell the cat" I do not know. This little book may discover a leader or a host of leaders necessary for the execution of this plan.

This thesis has been discussed with a few of my local friends, one of whom remarked on hearing my central idea of the thesis that he could work out the thesis himself in sufficient detail on the basis of that idea. This is quite true. This thesis may have been worked out and perhaps very much better by almost anybody once the central idea is accepted and understood.

If I were in India and had a chance of giving a series of lectures on the subject in different centres of population, the thesis itself need not have been written in this fashion or at all. But as I cannot yet afford to visit India, I have to do the next best thing. I have, therefore, put the scheme in such a fashion

as to enable an ordinary reader to understand what is in my mind. I do not know whether I have made out a clear case. Much less can I say whether I have made out a convincing argument. Details and elaborations I have avoided for various reasons, and principally because I wanted to present to the public the central idea of the plan as soon as I could. If our necessity is urgent—as I feel it is—then it is waste of time to produce an elaborate book at the cost of delay.

I have called this plan as mine. But it is mine only in so far as the principle of voluntary one year's service is applied in a modified form to economic and social reconstruction. One or more years' compulsory service for military purposes is not new in this world. Voluntary military service was greatly extended in the last war. But the application of these two ideas to economic and social problems is not known yet especially on a national scale. Sacrifice is known but one year's sacrifice is not known. Separation of politics from economic and social regeneration is undesirable in principle, but necessary in the present conditions of India for obtaining best results under adverse circumstances. So that when I call this plan as my plan it must be understood that I have done nothing more than bringing together certain well-recognised ideas to the service of the object which I have in view.

Separation of politics from the machinery of the plan appears to be justified as only a few days ago we read that the Government of India has circularised Provincial Governments to watch Mahatmaji's activities regarding village industries with grave suspicion. The thesis had already been written before this information came.

After the above was written I had the advantage of reading a leading article in Kesari of the 22nd January 1935 wherein is given a brief summary of ten years' programme as recommended by Sir M. Vishweshwar Ayya in his book entitled "Planned Economy for India" which appears to have been published very recently.

His programme of development appears to have been worked out in much greater detail to which my thesis lays no claim. Sir M. Vishweshwar Ayya's programme of literacy is practi-

cally the same as I advocate. His idea of relieving the pressure on land by bringing it down from 73 p.c. to 60 p.c. is also incorporated in my thesis, although my percentages of pressure on land may be wrong; but that the pressure is too much and must be relieved appears to be admitted by Sir M. Vishweshwar Ayya. His method of relieving this pressure by increase in industry is also the same as indicated in my thesis. His industrial programme which appears to have been worked out in greater detail may well be accepted for my scheme. He is not afraid of a programme for a thousand crores in ten years, neither am I.

The main difference between his scheme and mine is that he depends upon the Provincial Governments for the carrying out of his programme, whereas I cannot see my way to do so. To me it appears, that if we do so, we are bound to waste valuable time and this will be suicidal in my opinion. My plan recommends a method for immediate execution.

One criticism of my thesis made by a friend who read it in type requires an answer. He says that compulsory education in all provinces will be the first item in the new provincial governments so that my scheme in that connection is unnecessary. I am personally doubtful whether our new provincial governments will succeed in doing much in the matter and I think that we will always be faced with financial stringency. If after fifteen years of experience of reforms, we still pin our faith to so-called autonomy to achieve, what it has not got the power to accomplish it will be the limit of foolish credulity. Words fail me to express my feelings in the matter.

Dar-Es-Salaam: (Tanganyika) }
10th February 1935.

M. P. CHITALE

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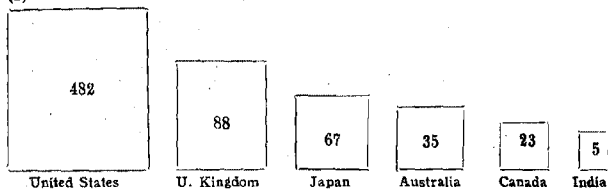
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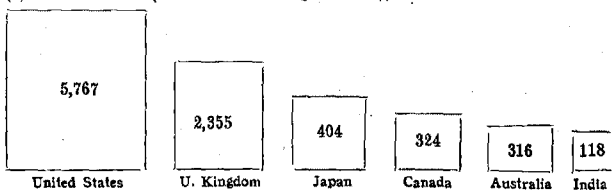
COMPARISON OF ORGANISED BANKING & CONTRAST WITH POPULATION

N. B. — Figures not to scale

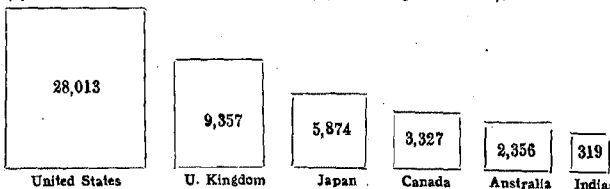
(1) **BANKING CAPITAL, Million £.**



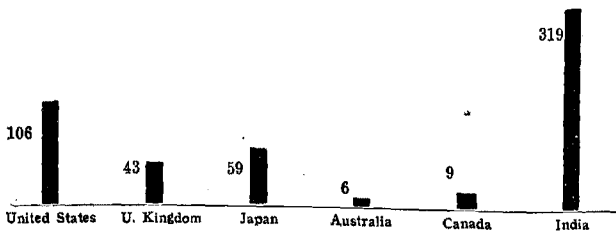
(2) **DEPOSITS (Banks and Savings Banks), Million £.**



(3) **TOTAL NUMBER OF BANKS, (Including Branches).**



(4) **POPULATION (Millions).**



(1) (2) & (3) Adopted from Findlay Shirras' "Indian Finance and Banking"

(4) Population shewn for 1921.

Appendix C

To

THE EDITOR.....

SIR,

The accompanying is a plan for the economic and social rebuilding of India as a nation. I can only send a very brief outline of the plan. But I have worked out the plan in some detail although still in the form of an outline only. This latter has been shown to some people in India who ought to know the economic and political side of the question better than I can profess. All these people have pronounced the plan as impracticable. With this opinion, however, I respectfully disagree and cannot remain content to accept their verdict on the scheme. I feel that I must lay the scheme before the general public. I have, therefore, to request you to give this scheme what publicity you can, in your valuable paper.

This plan provides for speedy increase of literacy in a period of 10 years, as increase of literacy is the first necessity for work of reconstruction in other matters vital to the national life of India. The plan is so devised as to enable the undertaking of such tasks as village industries and agricultural improvements and sanitation and health. The details of the work to be done under the plan cannot however be given here.

Whether, the plan succeeds in accomplishing what it is intended to do, will depend upon the strength of public opinion behind it and particularly on the intensity of propaganda. This will serve to find out whether the public takes kindly to the idea in the first instance and whether we find workers ready to undertake the task. The central idea you will notice is a vast volunteer force to carry out the plan. Without a sufficiently large body of workers this plan cannot be carried out is obvious. This volunteer force is to be raised on one year's national service basis. One year's service for the nation is much more attractive than life-long service by a vast body of men. The strength of the force will naturally have to be kept up by continuous recruitment, but it should be easy enough to recruit them on one

year's service basis. The vast body of these recruits will not be paid any money wages at all, but it will be the duty of those localities where they work to find for them food, housing and clothing i. e., bare comforts of life. It may even be necessary for these volunteers to find their bare maintenance by begging on occasions and so carry on the work. These volunteers will be given a short time intensive training to enable them to carry out their work well. If we cannot find a sufficiently large number of our people so to volunteer then obviously the plan must fail. But if we must do the work we must induce people to volunteer by intensive and vigorous propaganda. We must not give the idea up without trying.

Political emancipation we are told is the sine qua non in the matter of social and economic progress. I am afraid I cannot quite agree with this proposition. I maintain that a good deal of social and economic work can be done even under the present political conditions of India. Again, achievement of Swaraj must necessarily take at least another decade. Whereas we can start on economic and social work at once. In fact it is being done even now in a sort of desultory fashion. Our object is only to make adequate provision for work on a really vast and nationwide scale and an adequate scale to meet the vast national need. If people do recognise urgent national need for such work but do not like the plan I suggest, then they must find and devise another plan for work of such magnitude. I can confidently say that it will be difficult if not impossible to devise another plan to do the work.

I make the following simple propositions; on each one of them very great deal can be written and said which I cannot do at the moment and must leave your reader to think over but I must request your readers to read the following with as great a care as they can and then try and find out a solution of the vast problem of India for themselves.

(1) Educational, social and economic work is urgently needed and it cannot and must not wait for Swaraj. I am not going to waste either my time or any-body else's time in trying to prove this proposition. If people require proof of this they must look elsewhere. Neither am I going to try to convince

anybody who does not agree with this proposition and disputes the need to do anything at all immediately.

(2) A literacy programme must be the basis of all our work in this direction. This obvious truth has been completely overlooked by our workers. I make this charge deliberately but I do not mean that our workers do not realise the need for greater and greater facilities for education. But I do say that a campaign on a vast scale to raise speedily the percentage of literacy all over India, as a basis of our economic and social work, has not been thought of at all. In my opinion all our social and economic activities have failed to produce adequate result because we did not make the masses literate.

(3) The rest of our social and economic programme can be easily carried out once we have the necessary organisation for an all India literacy programme.

(4) We must make up our minds to raise the percentage of literacy to at least 40% of the population in about ten years time. It looks very ambitious certainly but my excuse is the necessity of it.

(5) We must have a proportionate programme for amelioration of agriculture and village industries, health and sanitation etc. I will however not bother your readers at this stage with details of these, because if I did many of them will probably not agree with me and I will have trodden on some people's favourite corns for nothing and in any case the details will have to be worked out in much greater detail and district by district and province by province which I cannot do. However we have sufficient time to consider these while we build up our organisation for literacy campaign.

(6) Our literacy programme means that in ten years we must make about 140,000,000 persons literate, so that if we consider three years schooling as sufficient by a revised curriculum to enable a person intelligently to read and write then we have seven years to do the job in. We have therefore to make provision for producing literates at the rate of 20,000,000 a year. The number of pupils therefore will rise from 20,000,000 in the first year to 60,000,000 in the third year at which figure

the number will remain for four years unless we plan for longer than ten years and larger than 40% literacy in which latter case the number of pupils will remain at 60,000,000 for several more years.

(7) On ten years' plan basis we must find 700,000 volunteers for the first year, 1,300,000 for the second year and 2,000,000 for the third year i. e., a total of 4,000,000 volunteers giving one year's service. But we must keep the strength of the volunteers at two millions for five years and then reduce it in the eighth and the ninth year i. e. in a ten years' programme about eighteen million persons will have volunteered for this work. These figures are worked out on the basis of thirty pupils to a teacher and can be varied according to the percentage of literacy required in ten years.

(8) Recruitment will be made easier after the fifth year if we specially train a percentage of pupils for teaching by giving them an extra course on their promising to volunteer for national service.

(9) Such a vast body of volunteers must be under strict discipline and supervision of an expert staff who will be selected and called on to volunteer for three, five and ten years. But one cannot expect them to work for nothing. They must be paid not on too generous a scale but on an economic scale adequate to give fair living. I am not competent to give a scale of salaries here, as they will probably vary from province to province. But the necessary funds must be raised by regions where they work.

Note—that even swaraj will not succeed in raising sufficient finance for such a large number of workers if they were all to be paid adequate salaries. If that is so where is the need for waiting for swaraj.

(10) Obviously all volunteers must be from amongst the literates; they must have an intensive course of training and must be under strict discipline, a code for which must be framed.

(11) Apart from the funds required for payment of supervisory and controlling staff as mentioned in para (9) no funds

or comparatively small funds will be required under this scheme. This I must say is a great advantage and the only possible method of getting the job done in India where money is the greatest difficulty. No money need be spent on school buildings as it is contemplated that Dharmshalas and Temples should be used and even open spaces for holding schools.

(12) The school hours should not be more than three a day to enable even workers to take advantage. This arrangement will relieve volunteers to do other social and economic work.

(13) Swaraj cannot be achieved within the next ten years or more. We must do social and economic work in the meantime. In any case swaraj will be the easier to achieve if we carry out this plan, and work under swaraj will be made all the easier.

(14) At present whatever work is done in education, improvement of village industries, improvement of agriculture etc. when done by the State is inadequate for national needs; and when done by public organisations is scattered, hap-hazard and mainly uncoordinated when considered from the point of view of the nation as a whole and its vast needs. It is now time to attack the problem of national economic and social services on a well-considered and conceived plan on an adequate scale swiftly to remedy the poverty and backwardness of the nation.

(15) Several objections to the above scheme have been and may be raised and may be briefly answered.

- (a) That our political ideal of Swaraj comes first and it is not advisable or possible to work on the above lines pending achievement of that goal. A reply to this may be found in Khadi and village industries campaign. Our programme happens to be much wider and better coordinated with ample workers that is all.
- (b) That the Government may oppose this scheme. But will it so oppose non-political work? And supposing it does is it any reason or sufficient reason to abandon the work or is a mere supposition sufficient not to start the work at all or sufficient to stop us from making even a start?

- (c) That the only organisation strong enough to undertake the task is the Congress and that Congress cannot afford or will not undertake this task. I do not know whether there is any substance in this objection. But if the objection proves to be true then I can only say that a new organisation to carry out this scheme must be set up, that is all. Perhaps it will be a distinct advantage to a non-political organisation for this non-political work to do so.
- (d) It has been objected that it will not be possible to obtain such a vast force of volunteers as is required for this scheme and therefore the plan is impracticable. The truth or falsehood of this objection can not be found out until we start the scheme working. I personally do not believe that our nation is so devoid of patriotism as not to help forward the plan by readily volunteering. But if the objection is true or proves by experience to be true then the scheme must fail.

But it must be said that this volunteer scheme is so devised as to make the sacrifice required from each volunteer as small as possible. If even this much sacrifice our people are not prepared to make then we had better abandon all talk of swaraj. I am personally hopeful however of raising the necessary force of volunteers and I should not abandon the project without giving it a fair trial. Professor S. R. Bhagwat is trying to do something similar to this project although only on a provincial scale. His methods however are somewhat different and his effort appears to be confined to literacy only.

However I have placed my idea before the public, let us see what they say about it. At this distance from the mother country I can do no more.