

B. F. MADON MEMORIAL LECTURES

Third Lecture

(1964)

**Some aspects of
THE DYNAMICS OF ECONOMIC GROWTH**

by

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ECONOMIC RESEARCH AND TRAINING
FOUNDATION**

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SCHEME OF MADON MEMORIAL LECTURES

The scheme of B. F. Madon Memorial Lectures was first sponsored in 1931. The late Shri B. F. Madon was an eminent publicist and a keen student of economic questions in the first quarter of this century. He contributed effectively to the development of economic thought in India at the time, particularly on questions of currency and finance, which then dominated public discussions. His publications on "The India's Exchange Problem" and "Exchange Fallacies Exposed" served as two valuable guides on the subjects. After his death in 1929, to perpetuate his memory a committee of Trustees was set up at a public meeting with Sir Purshotamdas Thakurdas as Chairman. The Committee decided that a fitting memorial to Shri Madon should take the form of arranging lectures or getting pamphlets published on any subject in the sphere of Indian Exchange and Currency, subjects which formed the life study of the late Shri Madon. In accordance with this decision, a series of Memorial Lectures were arranged in different years at various centres.

The activities of the Madon Memorial Fund could not be carried out for over two decades. The Indian Merchants' Chamber Economic Research and Training Foundation decided to re-start this useful activity under the Madon Memorial Fund by organising periodical lectures and arranging for publication of studies on current problems of economics, finance, exchange and currency. It is in pursuance of this objective the Inaugural Lecture under the auspices of the Foundation was arranged and delivered by Shri H. V. R. Iengar on 26th July 1961, the title being "Some aspects of Economic Growth in India". The second lecture in the series was delivered by Sir A. Ramaswami Mudaliar on 29th January 1963 and the title thereof was "Economic and Financial Aspects of the Present Crisis". Both these lectures have been published.

FOREWORD

This lecture on "Some aspects of THE DYNAMICS OF ECONOMIC GROWTH" is the third in the series of B. F. Madon Memorial Lectures organized by the Foundation in commemoration of the late Shri B. F. Madon, an ardent and devoted student of economic problems of his time. While the first lecture gave a masterly analysis of the topical subject, the second lecture focussed our attention on the problems arising as a result of the national emergency created by the unabashed aggression on the northern border of our soil. The situation posed an immense problem of mobilization of all human and material resources for defence and development. Subsequent events and the conditions arising after the last budget have posed further problems. A review hereof and of the mid-term appraisal of the Third Plan recently released by the Planning Commission may possibly dampen the spirit of many but such a position itself would provide an opportunity for a rethinking not only of the planned programme and their implementation but of the overall set-up of the economy of the country. It is in the fitness of things, therefore, that Shri S. G. Barve has chosen "Some aspects of THE DYNAMICS OF ECONOMIC GROWTH" as his theme for the lecture. The lecture provides a new and a refreshing theme. And with the first two lectures, it is bound to contribute richly to economic thinking which, in turn, would meet the challenge to our national integrity and ingenuity.

Bombay,
15th January 1964.

G. P. KAPADIA
Chairman.

Some aspects of THE DYNAMICS OF ECONOMIC GROWTH

I am grateful to the Economic Research and Training Foundation for their kind invitation to me to deliver the Madon Memorial Lecture this year. The Foundation has been functioning only for four or five years so far. It has, however, chalked out a wide programme of research activities and has already made a promising beginning towards accomplishing it. I congratulate the Foundation on what they have done so far and express the hope that their activities in the future will be marked with the same objectivity and zeal for public welfare for which they have been distinguished hithertofore.

1. The problems of the Indian economy are many and complex. The scope available in a single lecture is obviously limited. With your permission I would, therefore, like to touch upon only a few of the outstanding points and advance some of my thoughts in relation to them. In the main, my object will be to set out a point of view and provoke further discussion rather than make any definitive pronouncements.

In the last twelve years we have been engaged in the wholesale reconstruction of our national economy. It was a shambles that we inherited from a 150 years of colonial rule. During this time the world witnessed an unprecedented advance in the techniques of economic production. We had been left behind and when we attained independence there was a long leeway for us to make up. Our task was no less than furnishing with the apparatus of modern civilisation a continental community of 450 millions which had remained more or less frozen in a semi-feudal society stagnating at a pitifully low level of economic subsistence.

You are all familiar with the progress that we have registered as well as its shortcomings. During these twelve years of planning for the first time, for good or ill, a concerted attack was mounted on the age-old lags and ills of the Indian economy.

Innumerable projects and programmes, small and large, have been undertaken and several of them have been accomplished or are under way, for the fuller development of the natural endowments of this country. A modest measure of growth has been recorded in many sectors—in agricultural production, in the creation of new irrigation potential, in power generation, in the production of steel, coal, prime movers, in machine-building, in transportation facilities.

2. The growth has indeed not been even and steady apart from its low rate of acceleration. There have been many fits and starts, many ups and downs. The economy has frequently run into shortages of transport, coal, cement, foreign exchange, power, fertilisers. Some unevenness of growth has no doubt been due to natural forces and unpredictable factors like floods and droughts and the uncertainties of the agricultural season. In an economy where almost half the national income is derived from agricultural operations the climatic uncertainty has obviously to be reckoned with. However, some of the other shortages, especially in the field of industrial production, should have been predictable, and, therefore, amenable to better management.

I do not for a moment wish to underrate the difficulty and complexity of economic forecasting when the problem has such a staggering size, variety and complexity as in the Indian economic scene. However, planning is nothing more or less than national management of resources and it is to be hoped that with greater experience we are taking the pains to improve our tools. We can and we must steadily improve our techniques for matching related input-output ratios, at any rate of the basic commodities which are seminal to the processes of economic growth, and thereby ensure a more even and steady rate of progress.

3. Let us recall for a moment, before we go any further, the broad elementary facts of the situation. India is extremely well-endowed in respect of natural resources, both agricultural and industrial: Our mineral wealth of coal, iron, lime stone, bauxite; our water resources for generation of power and for irrigating the land; our resources of manpower, both in numbers and in skill and enterprise; our land resources—the potentialities

of all these resources are enormous. Our efforts hithertofore in the exploitation of these resources represent hardly anything more than a mere scratching of the surface. If we head the list of undeveloped countries in the world today and have one of the lowest rates of productivity it is not because nature has been unkind to us. We have simply not yet erected the equipment or built the organisation to utilise fully our natural opportunities.

On the other hand, against this picture of wide and ample potentialities the present economic scene is in sharp contrast. The vast bulk of the population lives close to the margin of subsistence and a substantial proportion well below it. The economy is overburdened with a staggering load of unemployment and under-employment of the vital manpower resource. There are grave wants and deficiencies in all fields of national well-being wherever you may turn: in respect of public health; in respect of education; the organisation of basic amenities of civilised existence even in our towns and cities, let alone the vast countryside.

The task of economic development is of course nothing more or less than the mobilisation of our enormous resources and their marshalling for the welfare of the Indian community. In other words, the problem is one merely of planning or organisation. Potentially, our natural and human resources are fully capable of sustaining the present Indian community at a high level of modern industrial civilisation with an ample availability of the material requisites for a good life to every member of the citizen body.

4. It is against this backdrop that one has to assess the picture of the economic growth that we have attained over the last dozen odd years. Each person is entitled to his own judgment regarding this. I would venture for your consideration the broad opinion that the picture of our progress so far is such as to cause serious concern but by no means such as to generate alarm or despair. While recognising that there are modest achievements to our credit in important and basic fields, let us also acknowledge that there is urgent need for a critical self-analysis and a dispassionate reappraisal.

We are all concerned that the tempo of economic growth has not been rapid enough. Indeed, in the last 2/3 years it has barely kept ahead of the rate of growth in the population. For reasons, into which we need not enter here, it is obvious that we will have to attain in the future a far quicker acceleration if the forces of orderly democratic progress are eventually to triumph over the historic challenge that they face in our country, viz. the removal of poverty, squalor and economic distress within the framework of a free society.

It is my object in this talk to offer some observations which are pertinent to a clearer understanding of the processes of our economic development generally, and also set out before you a few specific ideas which I feel have a significant bearing on the metabolism of our economic growth.

5. Firstly, I want to say that a clearer appreciation of the nature of the mixed or plural economy within which we have chosen to function is necessary amongst all those who rule our national economic destinies. I include therein not merely the politicians, that is policy-makers and legislators but also captains of industry and leaders in banking, the commercial life of the community and the labour movement who also in their respective spheres of authority determine the texture of our economic life.

I feel that too much energy is dissipated, and withal public issues confused and clouded, by the endless disputations that are raised regarding the abstract merits and demerits of what are called 'the public' and 'private sectors'. To a large number of specific problems of development as well as social justice in India the answers are mainly pragmatic and organisational and not abstract or ideological.

In the philosophy of the plural economy private initiative is accepted and recognised as a valuable economic stimulus. There is nothing dishonourable about private profit legitimately earned within the laws; nor in the enterprise of starting industries or of owning shares in the country's productive equipment as permitted by law. In fact what we want is a widespread blossoming out of enterprise among the people at large rather than its monopolisation by a few; we also desire for industrial

shares a far wider and more popular base of ownership especially including the working classes than is the case today.

On the other hand a State undertaking in the field of commerce or industry may in particular situations be a desirable or even an indispensable instrumentality for economic growth. It can hardly be denied that in various basic sectors of our economy, for instance in irrigation, in power generation, perhaps also in steel production, fertilisers, etc., but for the large State undertakings we would not have made the progress that we have recorded. At the same time I would freely acknowledge that we have yet to evolve appropriate methods and procedures for ensuring a sufficient degree of cost-consciousness and zeal for productive efficiency in the management of public sector undertakings. We have to search for and establish a satisfactory working equation to reconcile accountability with initiative and rapid decision-making, without which economic enterprise even under the auspices of government cannot flourish or indeed even survive. It would be outrageous in the meantime to view every government undertaking in the field of economy as a misapplication of national resources and a terroristic imposition on the people's liberties. In a given economic conjuncture the question of private sector or public sector or an amalgam or compromise between the private and public elements is a matter relative to forms of industrial organisation and need not rouse any doctrinaire passions. Moreover, the public sector and the private sector undertakings have their own merits and demerits deriving not from their innate virtues and pieties so to say, but from the operative systems of law, procedures, practices within which they respectively function and the personnel resources each can command. A general slanging match between the protagonists of the two sectors, therefore, helps nothing.

It is often overlooked and, therefore, it has to be emphasized that in the philosophy of the mixed or plural economy the private sector is not merely condoned but actively yoked in the service of the community within the limits laid down by law and the requirements of public interest. Moreover, if the benefit of private enterprise is to be derived it must be allowed to operate on the terms appropriate to it, that is to say, according to its own metabolism.

6. A second point I want to make is about controls and licensing. It is obvious that within a planned economy controls, licences, allocations, quotas and like restrictions are inevitable. Investment resources are short and must be channelised; foreign exchange is short and has to be rationed out; industrial raw materials are short and have to be allocated according to a pattern of priorities. Prices of consumer goods in short supply have to be regulated to protect the living standards of the bulk of the people.

It is obvious that these basic conditions will subsist with us for several years in the future and therewith, inevitably, the need to maintain controls on the economy. In this context, as realists, it is important that we do not overlook certain relevant factors. The capacity of the Administration, operating as it does within our federal set-up, to administer detailed measures of control at different levels and points in the economy has obviously many limitations. Unless the administrative machinery functions with speed, elasticity and manifest fairness in regard to measures of control, the economy would be cluttered up and all enterprise get clogged. We should then have set up at best only an engine of delay and dissipation of effort and at its worst of graft and extortion. In deciding the pattern of controls, therefore, and their detailed character many difficult choices have to be made and the evils of intervention constantly balanced against the evils of forbearance. A few strategical control measures coherently conceived and above all competently administered would seem to be the best pattern for us to work towards.

7. The problems of public administration are not the subject-matter of my talk. But, I cannot help mentioning in passing that whatever the reasons and whatever the remedies may be therefor, the Administration is not today distinguished for its initiative, understanding and that lightness of touch without which a complicated system of economic controls cannot be satisfactorily administered. While efforts must be made to foster in the Administration the necessary capacity and resilience to cope with the complex and delicate problems of economic control, in the meantime our decisions in this regard have to be realistic. It is not by catch-words and slogans and a flourish of

trumpets that the present burden of toil and misery of the Indian masses will be lightened and the Indian economy developed. The tasks are pragmatic and not amenable to heroic ideological stances. What is wanted is realism, skill, a clear comprehension of objectives alongside full mastery of details and an unremitting, disciplined enthusiasm.

8. One other aspect of the Indian problem on which clarity and dispassionate objectivity would be immensely rewarding is the question of technology and our national attitude to productivity. In an economy wherein unemployment and under-employment is so immense and chronic it is natural that there should be a strong psychological fixation against improvements of technique and measures of rationalisation which would cause displacement of labour. Besides, as of today many tens of millions eke out their livelihood in our economy as artisans in village handicrafts, on handlooms and in innumerable small workshops and establishments working under rudimentary techniques. It is right and proper that from the social point of view a reasonable measure of shelter must be afforded to such occupations in the interim and their products not allowed to be altogether out-classed and out-priced in a competitive market by goods made under the latest techniques. It must, however, never be forgotten that such sheltering of obsolescent techniques of production has to be viewed as a transitory stage and not as a standing arrangement. While softening the sudden, unrestricted impact of new technology everything possible must be done to improve the techniques, the marketing organisation, the credit facilities for such occupations with the ultimate aim that they may take their due place in the economy on their own merits.

Our economy is going to remain mixed or plural in this yet another sense of the term for many years to come. There will be a growing sector of organised industry keeping abreast of latest developments in technology at one end of the spectrum; and at the other there will be a large segment of small-scale industry, handicrafts and other establishments working under labour-intensive techniques of production of varying degree. These last, one hopes, will be steadily absorbing an increasing measure of modern toolage and methodology of improved pro-

ductivity, standardisation and processing. Thus at one end you would have highly automated petro-chemical complexes and at the other millions of handlooms and animal-driven oil-crushers. Each would be governed in respect of its size and degree of mechanisation by the compromise between economic considerations and social policies appropriate to it at the particular time. We must so fashion our economic system that it admits of the simultaneous co-existence of several such technological sectors in the apparatus of production and permits of a dynamic equation of mutual relationship between them.

Indeed, it is one of the special features of the problem of economic dynamism in Indian conditions that we have constantly to seek the balance between forces apparently antithetical but in fact mutually harmonious if only we would hit upon the proper equation between them. Thus we have constantly to weigh the competing claims of economic growth *vis-a-vis* social justice, of productivity *vis-a-vis* regional spread, of technological advance *vis-a-vis* employment potential, of capital formation *vis-a-vis* improvement of living standards, of private initiative *vis-a-vis* regulation in public interest. The supreme task of economic statesmanship in India lies in evolving pragmatically as we go along an appropriate relationship between these forces in the various specific situations as they arise. A disinterested, well-informed and clear-sighted leadership is a *sine qua non* in this national odyssey.

9. Under press of international competition, the need to earn foreign exchange and the urge to expand our exports for the purpose, we are now becoming increasingly conscious of the factor of productivity as a *sine qua non* of economic progress. Today, in spite of our advantage of relatively low wage rates many of our goods are out-priced in the world market and are unable to secure a sufficiently large export market. There are many factors operating within our economy which tend to slow down and even stall the natural slant of competitive industry towards increasing productivity and a lowering of costs. Inadequacies of management are no doubt an important element in the situation and ought to be ruthlessly overcome. Another factor, I believe, is the inelasticity in the relationship between labour and productivity which has in recent years come to super-

vene industrial relations. The living standards of workers in our organised industry are low enough in all conscience. Our labour legislation of recent years has quite rightly striven to protect and in some small degree improve them. It is, however, a point for consideration whether in doing so we have not unwittingly fossilised workshop practices and almost totally deadened initiative and the urge towards greater productivity and correspondingly improved wage standards. It hardly needs to be argued that the system of wage contracts should be such as to leave a marked incentive to the individual worker to win a greater reward for better skill and greater effort. For that purpose it should also leave to enterprise the initiative to organise its production so as to promote better performance for better wages and eventually bring about in the upshot a greater productivity. It may be that the time has now come for us to take a second look at industrial relations from this point of view in the interest of labour as well as greater productivity which is so vital to the national interest at the present moment. It is the present *rigidity* of labour relationships rather than the *absolute level* of benefits to labour—low as indeed this level is—against which enlightened and socially conscious enterprise would legitimately complain.

10. Apart from these general observations I have to make two specific suggestions which I believe have a vital bearing on the tempo of economic growth.

In general, I think it is a fair criticism of our economic system to make that, by and large, it does *not* encourage productive industrial enterprise sufficiently as against trade or commerce or mere speculation. I do not mean to say that this upshot is the result of any conscious policy in this behalf by the authorities. The sum-total of our laws, procedures and practices, however, is such, whatever may be the intention, that the rewards of productive investment are nothing like the gains to be reaped by speculation or trading activities.

I think, to make my point clear I ought to illustrate it. Take the case for instance of urban land prices. It is notorious that urban land prices in Bombay and for that matter in several other large cities have been rising by enormous strides over the

last few years. If a person has a few lakhs of rupees to spare for some years, he can doubtless expect a much larger return on them by judicious investment in land in any of our growing cities or by buying flats in a city like Bombay where housing is short and is continually getting shorter, than he would get by engaging in an industrial enterprise. Moreover, as realists we must take note that the far greater opportunities for successfully evading the taxation net for the capital gains of such investment, make it far more attractive. I need not tell you how the starting of an industrial enterprise entails altogether a huge amount of prolonged dick and worry. You have got to get a site, you have got to get an industrial licence, you have got to get water, electricity and other facilities for industrial production at your chosen site, you have to clear many hurdles of capital issue, foreign exchange, technical collaboration, procurement of scarce machinery and raw materials and so forth, before finally the industrial products start rolling out. As against this, engagement in trade or commercial activity or investment in real estate brings reward or capital gains entirely disproportionate to the effort. From a social point of view, whereas venture investment in industrial production would redound to the net benefit of the economy, by and large, trading or commercial or speculative activity brings no such net benefit to the economy and merely effects a transfer of wealth from one set of people to another. I am conscious that this is a somewhat simplified statement of the transactions involved and an accurate scientific statement would require several qualifications. However, the statement is sufficiently accurate for my present purpose which is merely to make the general point, which I think is beyond doubt, viz. that in the economic climate of our country today industrial enterprise as such is at a heavy discount compared to the sterile pursuits of mere trading, or commercial or speculative activities. I think a conscious and deliberate effort to redress the balance and indeed to reverse the order of attractiveness is called for if our investment resources, small indeed as they are, are to be directed into the socially most fruitful channels.

11. There is one other factor which I think has an equally profound bearing on the metabolism of our industrial growth. I would like to invite your attention to it before closing my

speech. It is axiomatic of course that the rate of growth of our economy depends upon the rate of our new investment into the economy. Our banking structure, I submit, suffers as at present from the crippling handicap that there is inadequate provision for long-term and medium-term investment in the economy as against provision of credit facilities for turn-over or working capital requirements of industry.

This is a defect which operates equally and indeed even more in respect of the agricultural sector than in the industrial sector.

12. We have carried out over large parts of the country and we are in the process of carrying out over the rest a nation-wide programme of land reforms as a result of which by and large our agricultural production is or would be based on cultivation in small lots by peasant proprietors or secured tenants. The co-operative credit system has been vastly expanded, with the assistance of the Reserve Bank in recent years, to serve the requirements of the small-scale cultivator. All this is to the good as far as it goes. My point is that it does *not* go far enough and in the requisite direction. The co-operative credit system has in the main hithertofore concerned itself with the provision of seasonal credit. This helps the farmer in his emancipation from the landlord or trader-cum-money-lender in some degree. This advance has great significance from the social point of view, but hardly touches the problem of agricultural production. A larger agricultural production depends upon physical improvements in production processes in the field and not on a shift in the source of seasonal credit for agricultural operations. That is to say, the programmes that need financing in the main are bunding, terracing, levelling, irrigation; mixed farming by way of horticulture, poultry breeding, dairying; digging of wells, installations of pumps, the clearing of fields by means of tractor ploughing, etc. For these operations, while seasonal credit has some incidental value, the main instrumentality requisite is medium and long-term credit. While it is true that in the last few years somewhat greater efforts are being made by the Land Mortgage Banks to provide such credit to the cultivator, the extent of such effort is still pitifully small in comparison with the immensity of the problem. Exclusive of

loans for the redemption of old debts, the advances of Land Mortgage Banks made over the whole country totalled during 1960-61 to a figure of no more than Rs. 8.5 crores. Unless a massive effort is made for putting into the land a very much larger investment resource of a very much longer duration I venture to submit that striking results in the field of agricultural production apart from the luck of a good agricultural season would not be attained.

13. In the industrial sector also the situation is curiously similar. The banking system of the country concentrates almost wholly on the provision of working capital to industry. We have modelled our banking system on the British pattern under which a commercial bank provides only working capital and for long-term requirements industry has to look to the capital market. In Britain, however, conditions are wholly different because they have an extremely well-organised capital market, relatively ample funds and an extensive and long-established public habit of industrial investment. In India, on the other hand, the capital market is sketchily organised; it is based on a very narrow foundation of investing public; and its resources, especially after the Government has made its large annual drafts of public borrowing, are very exiguous. It is true that efforts have been made in recent years to eke out this position with the help of capital financing institutions like the I.C.I.C.I., I.F.C., the State Finance Corporations, etc. The I.F.C. over the last four or five years and the I.C.I.C.I. over the last two years have registered a commendable expansion in the size and scope of their activities. But all this is still pitifully inadequate in the face of the immensity of the problem. I will quote just one figure illustratively. The State Financial Corporations are designed to serve the sector of small-scale industry in this lay-out of institutional finance. The fifteen State Financial Corporations of the country disbursed annually on an average only Rs. 2.5 crores altogether during the seven years ended 1959-60. It is obvious that the total impact of all this institutional finance, while it has been welcome as far as it goes, has not been anything so large as to bring forth a massive flow of industrial investment, into wide-ranging and divers industrial activity, which is so vital for lightening the load of national unemployment and for accelerating economic growth.

14. I believe that it is possible significantly to accelerate the tempo of industrial growth by incorporating into our banking system, subject of course to the necessary safeguards and supervision, suitable practices and processes associated with continental banking in regard to term finance of industry. It is well known that in several advanced countries of the world, notably for example West Germany and Japan, they have departed from the classical British practices of commercial banking—even though they had less reason for doing so than we have—and successfully built a stable industrial growth on the basis of industrial finance supported substantially by banking funds.

I am aware that this is a highly technical field and that the subject bristles with controversy. Within the limits of my knowledge and understanding of these matters I have pondered over this subject for several years and have come to the firm conclusion that it is both feasible and necessary to reorient our banking practices in this direction. The commercial banks with their network of branches spreadeagled throughout the country and with their intimate and detailed knowledge of individual industrial units, whom they already serve for working capital, are a valuable and indeed an indispensable agency for this purpose. I believe this agency can and should be availed of for inducting a portion of the country's savings into industrial growth by way of permitting a prescribed proportion of banking funds to be used for term finance of suitable industrial ventures. The total advances of commercial banks stood at Rs. 1,600 crores in March 1963 and even a small percentage of these as long and medium-term finance for industry would be massive enough to work as a catalyst for our stagnant economy. Obviously the matter will have to be worked out with great care and in great detail. I feel convinced, however, that unless some such bold steps are taken we cannot evoke the widespread efflorescence of industrial enterprise over the continental dimensions of our country which is necessary to jerk the economy from its present torpor into higher ballistics of dynamic growth.

It seems to me that we have a national weakness for catchwords and heroic slogans as against cold deeds and pragmatic

programmes. The public sector *versus* the private sector; co-operative farming *versus* peasant proprietorship; free enterprise against socialism; adjudication *versus* collective bargaining; national planning *versus* decentralisation; endless disputations and controversies over these theories have occupied the central place in our public discussions throughout these years. Many of the differences voiced have been purely semantic; that is to say, owing wholly to unprecise definition of terms and premises of the contending arguments. Lately, for instance, the nationalisation of banks has been debated by the protagonists of the different schools as if it was the long sought 'open sesame' to the door of economic dynamism. Of course, I do not underrate the importance of sound and honest management of banking deposits which are such a vital element in the economy. To the extent to which for achieving this, the present regulatory powers need to be strengthened, whether in degree or in kind by creating more nationalised banking units, there is an indisputable case. It is, however, a wholly different thing to advance such nationalisation as in itself an elixir for economic growth. I venture the opinion that apart from any change in the ownership of the share capital of banks, it is a reorientation into the new trails that I have suggested, which is profoundly more germane to the issue of economic dynamism.

15. I will present one more thought for your consideration before I close. We are engaged in an enterprise of the greatest moment not only to our country but to the world. We are facing the historic challenge of abolishing poverty, want and squalor in a sub-continent inhabited by four hundred fifty millions of people. We are resolved to do so within a framework of free institutions. We seek to transform an ancient and involved society into a progressive modern community through the process of democracy and orderly progress. In the last analysis the task cannot be accomplished unless we have in administration, in industry, in public life, in the myriad occupations and pursuits of modern living, a zealous, enlightened and dedicated leadership. I appeal to the leaders of the business and industrial community and the working class here represented to strive to furnish such a leadership in their respective walks as a part of their contribution to the great national odyssey.

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