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Patna

September 27, 1972

Dear

This is about the meeting under the auspices of the Leslie Sawhny Foundation on Social Responsibilities of Business on the 16th of October. I do not know if you will be present at that meeting. When I was in Bombay last, Minco told me that the last meeting held on the 4th of September was not a success because Shri Arvind Mafatlal, in his enthusiasm for what he is doing personally, took a line which de-tracked the discussions from the main issue.

I had an occasion when I was in Bombay last, to witness a programme at the Mafatlal Fine Spinning Mill which impressed me deeply. Arvindbhai's motivation is intensely religious but what he is doing in the field of rural development as also in that of decentralising his textile mills in Bombay is certainly of great value.

After the function at the Mafatlal Mill I had a long discussion with Arvindbhai at his residence the next day and found his socio-economic philosophy extremely interesting and rather akin to the Gandhian view point.

While Arvindbhai's work is of great value, I doubt whether any other industrialist would be prepared to follow him. I think this explains his undervaluing the concept of social responsibilities of business, which to my mind is certainly a major step forward. I am writing to him today praising his individual effort but at the same time requesting him to give his full support to the social responsibility concept at the next meeting. I hope therefore that something concrete and practical will emerge from it this time.

In this connection I would like to have all the relevant information about how the various Tata Companies have incorporated the social responsibilities concept into their constitutions. I should also be obliged if you sent me a copy of the recommendation made by the Tata School of Social Sciences on the subject of Social Audit.

Finally, since I returned from Bombay, I have been seized with the idea that the Tata Industries at Jamshedpur should take, if possible, the whole of the Singhbhum District for a planned rural development, both agricultural and industrial. Family Planning and health may also be included. In pursuance of this idea I am writing to Shri R.S. Pande to be good enough to see me here before the 8th of October with such other officers of the Company as he may consider useful. The idea of area development has already taken shape, both in theory and practice, and I believe some guidelines are already available. I am sure if the Tata Industries take up this work, the Central and State Governments would be quite prepared to offer their cooperation. The financial institutions and such bodies as the Agro-Industrial Corporation, the Rural Electrification Organisation, etc. will also have to be involved in the process.

I am sorry for the length of this letter.

With best regards and wishes,

Yours sincerely,

(Jayaprakash Narayan)

Shri J.R.D. Tata,
Bombay House,
Fort, Bombay-1.

Patna

September 27, 1972

Dear Shri Arvindbhai,

What I witnessed the other day at the Mafatlal Fine Spinning Mill was most impressive indeed. Only one who is motivated by deep religious feeling can do what I saw that evening. The discussion that we had the next day at your residence was also a startling experience. That a great industrialist like you should adopt such a revolutionary and human attitude towards the problem of decentralised economic development is like a dream come true. I am glad that a group of prominent Sarvodaya workers will be meeting you soon and that a joint programme of action would be planned then. Meanwhile, I shall be glad if you sent me all the relevant written materials on your experiments both in rural development and in decentralisation of large-scale centralised industries.

While what you are doing is a step that goes far beyond the concept of social responsibilities of business, I do hope that at the next meeting of the Group on the 16th October that concept and its translation into practice would receive your fullest support. I do not think other industrialists, unless they have the kind of inspiration that is motivating you, will be yet prepared to go along with you in your revolutionary work. But even if some of them take one step forward in the sense of accepting their social responsibilities, as defined in the Declaration of the Delhi Seminar, that would be a major step forward. The Tata Industries have already taken this step and your support will, I am sure, encourage some others to follow suit.

You may recall that I had requested you for a donation to the Chambalghati Shanti Mission. I had left it to you to decide the amount that you should contribute. I do hope that your contribution has already been sent to the Mission's office; if not, I shall be obliged if you kindly have it sent soon. The cheque should be made out in the name of the Chambalghati Shanti Mission and sent directly to the Secretary of the Mission at Kampoo, Lashkar, Gwalior-1, M.P.

With kind regards,

Yours sincerely,

Sd/-

(Jayaprakash Narayan)

Shri Arvind Mafatlal,
Backbay Reclamation,
Bombay-1.

Patna

September 27, 1972

Dear Pandeji,

I am anxious to discuss with you an idea regarding the Tata Industries at Jamshedpur taking either the whole district of Singhbhum for an all-round economic development or such part of it as may be considered feasible as a first step. I shall be in Patna until the 8th of October. I have a few appointments everyday but I can always find time for a talk with you. If you think proper you might bring with you such officers of the Company as may be useful. You could send me a message by telex through your office here.

With kind regards,

Yours sincerely,

(Jayaprakash Narayan)

Shri R.S. Pande,
Managing Director,
TISCO., Jamshedpur.

Some Of The Main Problems

By
J.B. Kripalani

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life
In economics of the country what is required urgently is not an ideology but increased production. Ideologies have so far given us only slogans and gimmicks, which instead of guiding the people have misguided them. Increased production will tackle the problems of inflation, rising prices and unemployment. Increased production requires a practical solution. We have at present four sectors of production, the State Sector, the Private Sector, the Cooperative Sector and the Decentralised Sector. When all these sectors of our economy tackle the problem of production, we may, to some extent, be able to ease the economic situation.

if properly organized

The need, therefore, is that we demarket the sphere of each of the sectors and allow them to proceed unhampered with the task of increased production. So far, we have been engaged in the controversy between the private and the State sector. Private sector, it is said, has so far not been functioning in public interest, even though the heights of our economy are under State control! The main cause of this, as admitted by several government communities, is defect in the grant of licences, permits and quotas. This is due to the fact that: (1) the party in power needs big donations, one way or the other, for fighting elections, and (2) the administration is corrupt and, therefore, inefficient. A partial remedy to the first, the grant of licences, permits and quotas would be the appointment of an impartial agency for their grant. It should function like the Public Service Commission. If this is done, with high cooperative and personal taxes, with wealth and death duties, it will be difficult

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(two)

to amass big fortunes.

*we have
stronger
law and
and now law
will be more
equitably
distributed*

As for social justice, ^{also} I hold that ^{that social justice} it will come with increased production. If the cake of production is big, most of it will be shared by the consumer and by labour. After all, labour in affluent countries has not fallen in love with the capitalists, nor ^{has} have the capitalists fallen in love with labour. Only production has vastly increased and the common people are the greatest consumers of ^{the} goods produced. If all sectors of our economy begin producing, with increased employment the purchasing power of the common man will increase and he will be able to absorb increased production. This will affect favourably the price level and diminish inflation.

It is said that our aim is the establishment of socialism. This is not correct. It is the establishment of democratic socialism. This can be achieved only in ^a pluralistic society. If the whole of our economic life is in the hands of the State, it will not be democratic socialism, but State socialism or communism. It is, therefore, necessary for democratic socialism that all the four sectors of our economy function freely.

Administration: Every reform in any field can be carried out through the administrative machinery. This consists of: (1) the politician, and (2) the administrator. Unless the first, the politician in power, is honest, the administrator cannot be honest. For any minister to think that his doings are not known to his administrative subordinates is absurd. However the minister may try to conceal ^{these} this private deals, the administrative is bound to know about them. If the political wing lacks honesty and integrity, it will be impossible

(three)

for it to keep control over the doing of the subordinates in the administration. What the big ones do, the small ones would copy and they are in an overwhelming majority. As a matter of fact political corruption largely takes place through the officers.

Government expenditure: All posts that are required to do formal and economical work must be downgraded. That is what we contemplated before independence. Our Rashtrapathi and our Governors must live as befits a poor country. Their scale of emoluments and perquisites, and the pomp and paraphernalia of the officers accompanying them, must be greatly reduced. Today the Rashtrapathi and the Governors do not rule as did their foreign predecessors in office, who actually ruled. I do not see why the Rashtrapathi should live in a higher style than the Prime Minister or a Governor than a Chief Minister. The latter actually carry on the work of the Government. They do not perform formal and economical functions. The proliferation of administrative staff beyond the strict needs of the administration must stop. Today this increase in the staff leaves little money for plan expenditure.

Commissions and Committees: It is our experience that only a few members of a commission or a committee take active or knowledgeable interest in their work. The rest merely draw their daily and inflated travel allowances. It happens often that a committee or commission meets for one day and the allowances are drawn for five days. Also the members assemble either in Delhi or in Kashmir or other hill stations from all parts of the country. This involves a great deal of expenditure. Then there is expenditure on foreign trips which cost a pretty penny to the poor tax-payer.

They largely
travel by
air.

(four)

These are some of the fundamental reforms that are needed.
Reform in these will enable us ^{to} solve our other problems too.
I have not spelled out all problems that confront the country.
I feel if the foundations are well-laid the rest of the structure
will present little difficulty. I think we must keep the ^{the} ideas
before the public for their consideration.

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