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CHAPTER VI

DR. AMBEDKAR'S ECONOMIC WELFARE VIEWS

6.1 Introduction

Besides the dissertations on economic which earned for Dr. Ambedkar his post graduate and doctoral degrees and which drew attention of noted economists later, Dr. Ambedkar articulated his economic views in speeches and writings at different occasions. The present chapter attempts a study of important works in this regard.

The economic problems faced by Indians in different spheres of life came to be studied by him; his scholarly research was pragmatic as also policy-oriented. The economic problems pertaining to agrarian, labour, social, socialistic, women and planning – were not only discussed by him in his writings and speeches but were suggested solutions too. The present chapter attempts to study these economic welfare views. Not only his noted contributions to the academic field of economics were appreciated but his welfare views also gained importance whenever the occasion arose and he articulated his views in his work-written and spoken. It is evident from the previous chapters that Dr. Ambedkar was an economist par excellence. His erudition and his approach towards the economic aspect of Indian life, both theoretical and practical, is stunning.

Besides his academically acclaimed works in Economics Dr. Ambedkar's views are articulated in his miscellaneous works, in the form of speeches as well as writings.
6.2 Indian Agrarian Problem:

Through his 'Smallholdings in India and Their Remedies', Dr. Ambedkar emerges as a pragmatic economist. His views expressed in this work, a significant contribution are original and seminal. He was perhaps the first Indian economist to have theoretically dealt with agrarian problem and suggested practical remedies too.

In this work a problem that is still-haunting Indian agrarian system is taken up for analysis by Dr. Ambedkar. The British administrators who were used to their own country where large agricultural land holdings was the norm, were shocked at the low productivity of the vast Indian land. Ascribing the cause of agrarian ills to small holdings, observations of eminent economists like H.S., Jevons of Allahabad University Hasold Manna and G.F.Keatinge of Bombay and the Baroda Committee proposed to consolidate and enlarge the holdings.

First published in 1918, 'Small Holdings in India' deals with the agricultural problem of low productivity. The small size and fragmentation of holdings in India led to inefficient use of resources resulting in low productivity. Dr. Ambedkar considers Indian agriculture as a major national industry because a very large population depends on its productivity. His deep insight into the problem is reflected in his analysis, which addresses major question such as the cause for fragmentation and reasons for low production. He differs from the common observation that the chief cause of small holdings is the law of inheritance, and attributes it to the enormous pressure of population on land.
Dr. Ambedkar analyses the problem from historical perspective and refers to Adam Smith, according to whom "it is the adoption of the law of primogeniture chiefly due to the exigencies of military life that leads to the creation and preservation of large holdings. While it is the law of equal sub-division necessitated by the comparatively peaceful carrier of a nation that gives rise to smallholdings" (Moon 1979:456). Therefore observes Dr. Ambedkar, England is a country of large holdings, so also pre-Revolutionary France, Denmark and Holland, whereas India is a country where small holdings are fragmented and lay scattered. He expresses concern regarding the economic life in India. Considering agriculture as our 'national industry', Dr. Ambedkar inquires into the causes of the excessive sub-division and fragmentation of agricultural holdings and the argument that enlargement and consolidation of land will increase productivity.

Since fragmentation involves waste of labour and cattle power, waste in hedges and boundary marks, waste of manure and creates difficulty in watching of crops, sinking of wells, change in cultivation, making of roads, water channels, and it increases the cost of production, the re-stripping and consolidation may remove the disadvantages of fragmentation. But Dr. Ambedkar considers agriculture as an economic enterprise and "mere size of land is empty of all economic connotation..... it is the right or wrong of proportion of other factors of production to a unit of land that renders the latter as economic or uneconomic. An economic holding....consists in a combination of land, capital labour etc., in a proportion such that the 'pro rata' contribution of each in conjunction with the rest is the highest." (Moon 1979:468). Ambedkar was perhaps the first economist to point out the pressure on land due to idle labour. Analyzing the effects of idle labour, Dr. Ambedkar observes
that of Indian population was lying idle instead of performing any sort of productive labour. In addition to the increasing ruralization of India and a continually decreasing proportion of land under cultivation, his concern was that "notwithstanding the vastness of land...... so little land is cultivated in proportion to her population". (Moon 1979:472).

Dr. Ambedkar observes that high pressure of population is probably unknown in any other part of the world. But the cause of it is not that the standard of living of those who solely depend on agriculture for livelihood is low, but there is little else to prefer to agriculture. Dr. Ambedkar empathetically reasons out. "If they had something more profitable to do they would never prefer the small piece" (Moon 1979:474). Hence there prevail small farms or 'petit culture' due to the enormous pressure on land. This view is reiterated by Swaminathan, who in his Presidential address observes, "It will be an understatement if I say that our country is facing a serious agrarian crisis. According to a recent survey by MSSO, 40 percent of farmers would like to quit farming if they have another option" (M. S. Swaminathan on 'Restoring Farmers’ Faith in Farming") Dr. Ambedkar further analyses the difference between idle labour and idle capital. "Capital exists, but labour lives"; labour, "earning or not, consumes to live" while capital" when idle does not earn, but does not also consume much to keep itself". As an economist, Dr. Ambedkar analyses this factor to derive at the fact that "the depression of India’s national dividend is the effect of the idle labour. No doubt then that our economic organization is conspicuous by want of capital. Capital is but crystallized surplus; and surplus depend upon the proceeds of effort. But where there is no effort there is no earnings, no surplus, and no capital" (Moon 1979:475).
Thus Dr. Ambedkar's views on the problems of small-holdings can be termed as his views on land reforms. Considering agriculture as an industry. He preferred economic holdings based on production and not on consumption. According to him if agriculture is to be treated as an economic enterprise, and irrespective of the size, depends on other factors at the disposal of the farmer for carrying on. He held that "an economic holding is not a matter of the size of land alone but is a matter of the adjustment of a piece of land to the necessary equipment for its effective cultivation" (Moon 1979:470). of land, capital, labour etc. in a proportion such that the 'pro rata' contribution of each in conjunction with the rest is the highest". (Moon 1979:468).

Dr. Ambedkar thus brings out the evils of agriculture in India, viz. the pressure of idle population on land and scanty agricultural equipment and suggests remedies also; "If we succeed in sponging off this (idle) labour in non-agricultural channels of production we will at one stroke lessen the pressure and destroy the premium that at present weighs heavily on land in India. Besides, this labour when productively employed will cease to live by perdition...... will not only earn its keep but will give us surplus, and more surplus is more capital.' (Moon 1979:477). Hence he strongly holds that industrialization of India is the soundest remedy for the agricultural problems of India, it is the natural and powerful remedy. In support of his view that 'agriculture improves by the reflex effects of industrialization", Dr.Ambedkar quotes the summary of the study carried on in the United States in 1883 (Moon 1979:478). Industrialization, he proves, not only fosters enlargement of holdings, but facilitates consolidation too. In the end he quotes the words of caution by Sir Henry Cotton regarding national economy; "There is danger of too much agriculture in India". (Moon 1979:479).
Dr. Ambedkar's concern for the economic welfare of the small holders on the one hand evidently as brought out in this significant work, and his concern for the economic welfare of the nation at large are apparent from his views expressed herein. He went the whole hog and proposed nationalization of land and nationalization of industry while he was speaking in the Constituted Assembly on 17th Dec 1946, on the Resolution moved by Pt. Jawaharlal Nehru. His emphasis was: ".... There are certain provisions which speak of justice, economical, social and political I should have expected some provision in the Resolution to state in most implicit term that in order that there may be social and economic justice in the country, that there would be nationalisation of land...... for any future Government unless its economy is a Socialist economy....."

(Constituent Assembly viz. -100)

6.3 Labour

6.3.1 Khoti System

The Khoti System which prevailed in some parts of Ratnagiri, Kolaba and Thana Districts of Bombay presidency related to land tenures. Khots had rights to land which was cultivated by farmers, and revenues were collected from them to pass on a part of it to the government. This system differed from the 'rayatwari system'. In the Khoti system, the government employed services of the Khot for collecting revenue whereas in the latter the occupants of the land were directly responsible to the government for the payment of revenue. The Khot, a superior holder, had unrestricted freedom to deal with the tenant (i.e., the occupant of the land), an inferior holder, after payment of the revenue. The Khots generally misused the freedom, subjected the tenants to all kinds of exactions which reduced them to the state of abject poverty. The agitated tenants had murdered 3 Khots; the system thus had disturbed the peace and tranquility in the Presidency.
Dr. Ambedkar had returned to India from abroad in 1923 after completing his studies obtaining degrees of M.Sc in Economics, and Bar-at-Law in England. He was nominated as an M.L.A of the then Bombay in 1926. Among his contributions to the amelioration of the rural poor, the bill which he introduced as M.L.A. in 1937 is noteworthy.

At the meeting of the Bombay Legislative Assembly on the 17th September 1937, Bill No.XX was introduced by Dr. Ambedkar and was published under rule 20 of the Bombay Legislative Assembly.

The Bill introduced by Dr. Ambedkar aimed at the abolition of the slavery of agricultural tenants. It sought to establish a direct relationship between them and the government, through the enactment of the Bill, the factoral tillers, who were in possession of the land obtained the status of occupants. The Bill thus aimed at securing occupancy rights to the tenants with a provision for payment of reasonable compensation to the Khots for the loss of their rights.

6.3.2 Mahar Watan

Mahar Watan had reference mainly to Mahars who Dr. Ambedkar remarked, "... can be called upon to render service at the (1) irrigation Department, (2) Vaccination Department, (3) Revenue Department (4) Education Department, (5) Local Self-Government Department, (6) police Department, (7) Excise Department. In short, Mahars were treated as servants of all Government Departments. Further they may be called upon to render the service at any hour of the day or night. Besides, the hours of their service were not fixed"(Moon 1982:75). "If the officiator is absent on any Government duty and if there is no one to answer the call, his father may be called upon to render service. If his father is absent, the grand father... but their names may not appear in the register. Not
Dr. Ambedkar while introducing the Bill presented the figures of remuneration by Watandar Mahars which ranged from few annas to a few rupees. He pointed out that there was practically no remuneration given to those poor Mahars by the Government for the services it extracted from them. Their sources of income were the Inam and the Baluta or the collection of grain made by them from the villagers. Dr. Ambedkar remarked that the 'Government does not take upon itself the responsibility of paying the remuneration to the person who the Government employs... Mahar is left to the sweet will of the ryots.” (Moon 1982:77).

It was therefore that on March 19, 1928, Dr. Ambedkar introduced a Bill in the Bombay Legislative Assembly to amend the Bombay Hereditary Offices Act, 1874. He brought to the notice of the house that the Watan land were not given by the British Government but they were inam lands given to the Mahars by the ancient emperors of India. He charged the government with paying least attention to the remuneration of Mahrs. He pointed out that despite an increase in their population and the inam lands being divided and subdivided thereby resulting in gradual reduction in their income, the government cared to increase neither the land assigned to them nor the remuneration while it compensated for the increase in the cost of living in case of other Government servants. He therefore proposed in a well reasoned and emotionally charged speech in the house: “I submit, sir, it is an atrocious system...and is there any security that the Watan will be continued... the Patil, the Kulkarni and the Mamlatdar are the immediate officers under
whom the Mahar has to work. The Mahar cannot expect that his watan will be safe unless... he... renders willingly and without remuneration, private services to his immediate officers... (their reports otherwise).... An absolutely false and concocted report.” (Moon 1982:78). He observed that there was hardly any case in which the higher revenue officers have reversed the orders passed by the Mahars’ immediate officers, and that the evils of the system were not only affecting the officiating class of Mahar but they affected the whole population of the depressed classes. It was not open to for them to ask for privileges given to them by the Bombay Legislative Council like a claim of their children sitting, along with the children of other classes or use of ‘dharmashalas’ and other public places. The reason, he observed, was simply that “Whenever, for instance, any Mahar Community in any particular village desires to make progress in any particular direction and if that direction is not liked by the ryot, the one immediate step that the ryot takes is to stop the baluta and to proclaim a social boycott.” (Moon 1982:79).

In the Bill, Dr. Ambedkar proposed to make two divisions of the Mahar population. The first division was of those who were absolutely tired of the Watan; and if they chose to give up their Watan, they should not be deprived of the land which they had in their possession. Dr. Ambedkar also suggested ways and means to recuperate the loss incurred due to this provision. The second division of Mahars was of those willing to carry on with Watan. Dr. Ambedkar, in the Bill, made provision to convert the ‘Baluta’ into a money cess in their case. The second provision was for the recovery of the money cess along with the land revenue. The third provision was to divide that cess into the one for services rendered to the ryot another for services rendered to the Government.
Dr. Ambedkar insisted that the atrocious and barbarous system should not be imposed on the Mahars. He also insisted that when every society had advanced from status to contract, the progress of Indian society ought not be blocked by refusal of contract between the Mahars and the ryots. “Three purposes underlay to Bill. First is to permit commutation of the Watan at the option of the holder, second to provide better security for the payment of the remuneration of certain classes of Watandars and the third purpose is to provide for specification by rules of the duties to be performed by the Watancars.” (Moon 1982:92).

Dr. Ambedkar repeatedly introduced the Bill insisting the government to amend the Mahar Watan Act in the Bombay Legislative Assembly on 3rd August 1928, 4th August 1928 and again on 17th September 1937 (Moon 1982:75-94). However, the persistent efforts of Dr. Ambedkar bore fruit and the Mahar Watans were finally abolished under the Bombay Inferior Village Watans Abolition Act 1 of 1959.

6.3.3 Industrial Labour

Dr. Ambedkar was a Labour Member in Viceroy’s Executive Council from 1942 to 1946; he brought out many legislation’s meant for the welfare of labourers. His concern for the rural poor is evident in his efforts to abolish the atrocious Khotic System and Mahar Watan. Similar concern and endeavor can be perceived with regard to the industrial labour. Even before he became a Labour Member he had emerged as a labour leader through his journals ‘Bahishknit Bharat’ and ‘Janata’ during 1929 and 1934 and his activities as the President of Bombay Municipal Kamkari Sangh and as Founder of Independent Labour Party (Aug 1936).
Although Dr. Ambedkar regrets his absence during the speeches of his predecessors that went on for a long time leaving little for him to speak on, he proposed to speak on the Industrial Disputes Bill in the Bombay Legislative Assembly on 15th September 1938. He observes at the outset that the bill is vast and extensive in character having 84 clauses in it; the principal ones were taken up for discussion. He observes that the last clause of the bill makes it clear that it intended to replace the Bombay Trade Disputes Conciliation Act of 1934 which was intended to provide a machinery for conciliation and its principle had been voluntary conciliation. The present bill introduces a change – that the conciliation shall be compulsory; but the question, he inquires, is whether any case has been made out for altering the provision.

Dr. Ambedkar observes that during the introduction of the original bill in 1934 the circumstances did not require compulsory conciliation. With documentary support he brings out that the industrial disputes diminished as evident from the number of strikes from 1925 to 1937. However, he finds that although the number of strikes is small, the number of people involved and the number of working hours lost are comparatively great. Hence, he observes, that no case has been made out by the government to introduce a drastic change in the provisions of the Act of 1934. He further refers to clause 62 of the bill which makes strikes illegal under certain circumstances. He proposes to refute and repudiate the position that the labourers’ right to strike does not intervene in rules of ethics and jurisprudence. He proceeds with meaning of the word 'strike'; “In plain popular language, a strike is nothing more than a breach of contract of service”. (Moon 1997:205). And for the breach of contract of service, it is a civil wrong for which the employer is entitled to damages. Dr. Ambedkar deals with the provision of the Indian law regarding strike from historic perspective, and ultimately arrives at the position that “A breach of contract of service is
not a crime, and is not punishable under the Indian Law except when the case falls under Section 491. That means it is only a civil wrong; it is not a crime... because it (the Indian Law) thinks that to make it a crime is to compel a man to serve against his will. To penalize a strike... is nothing short of making a worker a slave... As defined in the Constitution of the United States, slavery is nothing else but involuntary servitude. And this is involuntary servitude. This is contrary to ethics; this is contrary to jurisprudence.” (Moon 1982:407). After reading from a book on English Law21 he proposes to contend that the bill under discussion, by penalizing a strike, reduces the workers to a state of slavery.

In his opinion the Bill ought to be called “The Workers' Civil Liberties Suspension Act” (Moon 1982:209). otherwise the bill would as introduced, when in operation, will bring about perpetual slavery and the workers will never be able to strike. He insists on the necessity of comparing the provisions of the bill regarding strike with those of Trade Disputes Act of 1929.

Comparatively speaking the bill under consideration is, he observes, reactionary and retrograde. What the Act of 1929 penalizes is not all strikes but strikes in public utility services only. Section 2 of the Act defines what is a public utility. He elaborates after giving references to events of discussion regarding it that, “... all this is confined to cases essential to public safety and life of the community... if you want to restrict the right to strike and to make it illegal, then you must do it only in relation to services on which the sustenance of the life of the community depends... (but) this bill extends to every trade and every industry.” (Moon 1982:215). He draws attention of the House to the fact that the Bill would be “undemocratic in that it enslaves a working class that is devoid of education, intelligence, any power of organisation and any means of life”. (Moon 1982:215).
Dr. Ambedkar questions the necessity of registration of workers for a union to obtain a representative character under the bill. He also suspects the latter part of the title of the bill which says "A bill to make provision for the promotion of peaceful and amicable settlement of industrial disputes by conciliation and arbitration and for certain other purposes"... my search has been rewarded by discovery that there is an organic connection between the two." (Moon 1982:218).

He brings out the anomaly of the Bill; a union registered under the Act of 1926, while it is competent enough to represent workers in the legislature, is not competent under the bill to represent labour before the Conciliator. And there the parties entitled to elect delegates to represent labour before the Conciliator under the Act of 1934 were the registered trade unions, the unions registered under the Trade Disputes Act of 1926. The present bill, Dr. Ambedkar complains, takes away a valuable right which the unions had; the bill with political and economic endowment is for the benefit of the slave unions.

Dr. Ambedkar draws attention of the House to clause 8 of the bill, sub-clause (1) which says that "the Register shall not register more than one union in any local area in respect of any industry or occupation as the case may be" (Moon 1982:533). which, he contends, hampers the growth of trade union movement in India; same clause is not found in England (Moon 1982:234). which has general labour unions where workers of different industries may join together and form a union. Another regrettable feature, a matter of serious consideration, according to Dr. Ambedkar is that under the bill, a person with a right to have the registration of a union cancelled may not apply for the registration of his own union. As for the union whose registration is cancelled, Dr. Ambedkar observes, "clause 54 of the bill gives power to the Industrial Court to declare under certain circumstances that the union had forfeited its registration" (Moon 1982:227). Hence, Dr. Ambedkar
observes, “This bill puts a perpetual hindrance in the way of people who want to organise labour, simply because they happen to have committed some kind of misrepresentation.” (Moon 1982:239).

The reasoned argument, substantiated with sufficient evidences and research finally ended in an applause of the House when he concluded saying: “The bill as it is... should not be passed. It only handicaps labour. Labour may not now know what this bill does. But when (it) comes into operation and the labourer stands face to face with the bill he will say that this bill is bad, bloody and brutal bill. Sir, I cannot be a party to it.” (Moon 1982:232).

6.4 Social Economy

Social reconstruction on the basis of social economic equality and justice was the main aim of Dr. Ambedkar in all his endeavors. His views regarding this matter have to be understood against the background of Indian social System. He fosters a critical inquiry into the organization of Hindu Society in India (‘Castes in India’ and ‘Annihilation of caste’ Volume-1) from social, economic and anthropological perspective. He observes that caste and untouchability are an offshoot of chaturvarna, and holds that “Caste in India means an artificial chopping off of the population into fixed and definite units, each one prevented from fusing into another through the custom of endogamy”. (Moon 1979:9). This basis of Chaturvarna, justified as a division of labour is criticized by Dr. Ambedkar. He holds that it is not a division of labour but it is a division of labourers: “Civilized society undoubtedly needs division of labour. But in no civilized society is division of labour accompanied by this unnatural division of labourers into water-tight compartments. Caste system..... is an hierarchy in which the division of labourers are graded one above the other” (Moon 1979:47). It is not a division based on choice
but is based on the dogma of predestination; considering the economic aspect of it, he observes that “the greatest evil in the industrial system is not so much poverty and suffering that it involves, as the fact that so many persons have callings which make no appeal to those who are engaged in them”. (Moon 1979:40). Such callings, regarded as degraded, “provoke in them aversion, ill-will and the desire to evade” (Moon 1997:48). Highlighting this attitude towards occupations, Dr. Ambedkar remarks, “what efficiency there can be in a system under which neither men’s hearts nor their minds are there in their work? As an economic organisation caste is therefore a harmful institution in as much as it involves the subordination of man’s natural powers and inclinations to the exigencies of social rules”. (Moon 1979:48).

Dr. Ambedkar analyses the fact that the graded inequality well maintained in the social order of Indian Society is extended into the economic field as well. Through fixed hereditary occupations the social system also fixed the economic rights. “It left no scope to acquire sources of income; there is nothing as an economic division. The social organisation of Indian Society is inextricably linked with the economic organisation. Hence, Dr. Ambedkar argued that there cannot be economic reform without first bringing about a reform of the social order. For a socialist the question of equality should not remain ideal only. He must seriously take into account the fact that one class ill-treats and suppresses another “as a matter of system, as a matter of principle, and thus allow tyranny and oppression to continue to divide one class from another” (Moon 1979:48). As Dr. Ambedkar observes, “the utilization of the qualities of individuals is incompatible with their stratification by classes, since the qualities of individuals are so variable. Chaturvarna must fail for the very reason...... That it is impossible to accurately classify people into four definite classes is proved by the fact that the original four classes have now become four thousand castes”. (Moon 1979:60). He critically analyses the caste-bound society in which, as he
points out, the appreciation is not based on merit or capacity or virtue but it is based on caste. "My caste-man, right or wrong; my caste man, good or bad; it is not a case of standing by virtue and not standing by vice ......but it is ......(that of) .... Caste" (Moon 1979:57). Hence, this insistence on the annihilation of caste.

6.5 Socialist Economy

The doctrine of Democracy is one man, one value which is effected only so far as political structure is concerned, and therefore, Dr.Ambedkar feels the necessity to prescribe and realize the shape and forms of the economic structure of society.

Dr.Ambedkar’s views on state socialism include his strategy for the economic development of India. His ‘memorandum’ in the form of States and Minorities intended to be submitted to the Constituent Assembly is an embodiment of his vision of the working democracy of Independent India.

The establishment of State Socialism in the ‘memorandum’ is not left to the will of the legislature but to the unalterable law of the Constitution. This view of Dr.Ambedkar is strengthened by the observation that “Those who want the economic structure of society to be modeled on State Socialism must realize that they cannot leave the fulfillment of so fundamental or purpose to the exigencies of ordinary law” (Moon 1982:411).

As stated in the ‘preamble’. Clause IV, Article II of the ‘memorandum’ expresses his intention of the state to take up the task of maintaining “the right of every subject to life, liberty and pursuit of happiness and to free speech and free exercise of religion” (Moon
as also to plan the economic life of the people and to provide for the equal distribution of wealth. The State according to him, has to supply capital necessary for agriculture as well as industry. He held that State Socialism was necessary for the rapid industrialization of India. Considering Agriculture as an Industry he holds that neither consolidation of holdings nor tenancy legislation can bring about improvement in agriculture. The remedy lies in collective farming.

The state should acquire the prevailing rights in agricultural land and compensate the owners by issuing debentures, which would carry interest as determined by the State. The agricultural land acquired by the State would be divided into farms of standard size and would be let out to residents of villages as tenants without distinction of caste or creed. The farms would be cultivated collectively; there would be no landlord and no landless laborers.

6.6 Womens' Problem

Dr. Ambedkar as the first Law Minister had introduced the 'Hindu Code Bill' in the Parliament on 11th April 1947. It was referred to the Select Committee on 9th April 1948 and the committee gave the Report on 12th August. Dr. Ambedkar moved the Bill on 31st August 1948 and then onward it was discussed intermittently; the bill came before the house for clause by clause discussion on 5th February 1951. It was discussed for three days only. Again it was put on the Agenda for consideration on the 17th September 1951. After some discussion it was dropped totally to the utter disappointment of Dr. Ambedkar. The Bill was the greatest social reform measure ever undertaken by the Legislature in India. Therefore when it did not get through, the shocked Ambedkar tendered his resignation.
Dr. Ambedkar's resignation is a testimony to his tenacity and commitment to the cause of Hindu Women especially. For the Bill in part VI speaks of 'women's property'. It says, "Any property acquired by a woman after the commencement of this Code shall be her absolute property" and "property' includes both movable and immovable property acquired by a woman, whether such acquisition was made before, at or after marriage, or during widowhood and whether by inheritance or diverse, or on partition, or in lieu of maintenance, or by gift from any person, whether a relative or not, or by her own skill or exertion or by purchase or by preservation or in any other manner whatsoever."

Dr. Ambedkar's economic welfare views of the society at large as also for the labour class in particular are evident from his speech on 'Maternity Benefit Bill' in Bombay Legislative Assembly on 28th July 1928, Dr. Ambedkar insisted that the bill could not be misunderstood as coming under workmen's compensation Act. Since the pre-natal conditions which affect the mother are an important factor in the bill as also the subsequent bringing up of the child, the proposition could not be controverter by anyone. It is in the interest of the nation that the mother ought to be given a certain amount of rest during the pre-natal period and subsequently. Conservation of people's welfare is the primary concern of the Government and hence in every country where the maternity benefit is introduced, the government takes certain charge of it. In the same manner, an employer who gets greater benefit by employing women in an industry has to bear this liability. Particularly in those industries, Dr. Ambedkar points out, which affect the health of woman this principle has to be extended. He strongly argues that the benefits contemplated by the Bill ought to be given by the Bombay Legislature to the poor women who toil in the factories in that Presidency.
6.7 Review of Russell's Book

Dr. Ambedkar analyses in this review the economic aspect of Russell's 'Reconstruction of Society'. He begins his review with the observation that "The Principle of Social Reconstruction by the Honorable Mr. Bertrand Russell is a war book" (Moon 1979:483). of the propagandist and preventive bellicose literature. He observes, that though Russell's work falls under the latter category yet it is different because according to his diagnosis, wars cannot be banished by rationalistic appeals "but by a positive life of impulses and passions antagonistic to those that lead to war. It is the life of impulse that needs to be changed not only the life of conscious thought. As the science of psychology as having novel views of the springs of human action' over those that external circumstances are responsible for human action. Dr. Ambedkar takes into consideration Russell's stand pointed of behaviouristic psychology.

The review was meant for 'Journal of the Indian Economic Society" Dr.Ambedkar points out that the six thought promoting and illuminating chapters that bring out Russell's study of the modifications that human nature has undergone under the institutions of State, War, Property, Education, Marriage and Religion have to be read from the original. Since he takes up to analyse the institution of Property and its impact on human nature, he agrees with the author that "activity is the condition of growth" (Moon 1979:485). and emphasises that Russell was against war, but not for quietism. The latter's discussion of the philosophy of war, the use of force as a constructive energy and not destructively as violence, is, according to Dr.Ambedkar justifiable but contrary to the Indian doctrine of non-resistance Russell considered war as an activity leading to the growth of the individual and condemned it only because it results in death and destruction.
Taking into account Russell's approach towards the industrial system and social effects of the economic institutions, Dr. Ambedkar brings out an exposition of Russell's misconceptions underlying his discussion on the effects of property on human nature. He Russell's concept of 'Love of money' as promoting a 'dead uniformity of character and purpose, a diminution in the joy of life, and stress and strain which leaves whole communities weary, discouraged, and disillusioned' (Moon 1979:488). He observes that his concept of 'Love of money' resounds the complaint of the moralists against, as also the 'have notes' ideas, of 'sour grapes' towards the 'love of money'. Pointing out Russell's want of inquiry into the purpose of the concept, Dr. Ambedkar observes that “there is no such thing as a love of money in the abstract......(it is) always 'for something' and it is the purpose embodied in that 'for something' that will endow it with credit or cover it with shame. Having regard to this, there can be no 'dead uniformity of character' among the individuals, for their purposes on different occasions are likely to be different. Thus even love of money as a pursuit may result in a variety of character” (Moon 1979:489).

Dr. Ambedkar proceeds with his critical analysis observing that “if Mr. Russell’s thesis is shaky when looked at from production side of our life, it entirely falls to the ground when looked at from consumption side.” (Moon 1979:489).

He scrutinizes the laws of consumption, and observes that “the utility of an object varies according to the varying condition of the organism needing satisfaction...... and ...... utility diminishes as satisfaction increases”. (Moon 1979:490). He holds Prof. Gidding's
behaviouristic hypothesis correct because in its psychological analysis he recognizes 'law of variety in consumption". (Moon 1979:490). He observes that human nature is provided by its very make-up against a one-sided development and "whether it will be able to obtain the miscellaneous food-material, intellectual or spiritual, it craves for is a matter beyond its control. If it is unutilitlated by the lack of variety of food, it will be through social default and not its own". (Moon 1979:491).

Russell's concept of property as the embodiment of the possessive instinct leading to war is also criticised by Dr. Ambedkar who observes that human nature is turned by acquisitions for fear of the loss of it. "The trouble" he observes, "is not with property but with the unequal distribution of it; for those who have none of it are prone to penetrate more destruction for its possession than those who have". (Moon 1979:491). He gives the example of industrial dispute in which context the workers in a strike use more violence than their employers.

Considering the whole outlook of Mr. Russell, of the creative and possessive impulses of man, Dr. Ambedkar holds that distinction cannot be made of an instinct, the creative and the possessive levels and the more of one will not diminish the other. However Dr. Ambedkar gives credit to Russell for his emphasis on psychic basis of social life and for his right understanding of "relation of individual to society as being of impulse to institution, as the thrust". (Moon 1979:492).

6.8 Economic Planning

Planning for the country as an important instrument was accepted during 1930s to 1950s for the economic as also social development of the country. The beginning of planned development of country's water and power resources was undertaken, among others, especially by Dr.
Ambedkar who was a member of the Viceroy's Executive Council in charge of Labour, Irrigation and Power portfolio during 1942-1946. The post-war plan was a period when economic planning at all-India level was a new concept taking shape for the reconstruction and economic development of the country.

The pioneering endeavor made by Dr. Ambedkar during the inception of planned period has to be understood against the historical, political and geographical background of couple of decades preceding the plan period. An independent Department of Labour had been created in 1937. Subjects like 'irrigation', 'electricity and other public works had to be taken care of by this department. Dr. Ambedkar took over the Labour portfolio in 1942 at the crucial period when policy formation and planning for the development of 'irrigation and electric power' including 'hydro-electric power' were the major concerns. Under the heading of Economic Development came the long term planning and projects to be implemented in a phased-out plan for five years. Important sectors involving large capital expenditure and creation of infrastructure for the economic development were Agriculture, Industry and Power. Both industrial and agricultural sectors needed development of irrigation and power.

Dr. Ambedkar, a member of the Central Cabinet was also the President of the Policy Committee for Irrigation and Power and was associated with its Official Committee. The task of these committees was to study the problems affecting the development of irrigation, hydroelectric power and suggest practical ways of solving them.

It was during Dr. Ambedkar's tenure as the Member of Viceroy's Executive Council i.e., as a Member of the Central Cabinet that the issue of management and control of irrigation and power projects on inter-stated rivers was resolved, for instance, the establishment of the
Damodar Valley Corporation. It goes to the credit of Dr. Ambedkar who was in charge of Labour, Irrigation and Power Portfolios that for the first time in India in 1945-47 basin-wise plans of multipurpose development for Damodar Valley and Mahanadi Valley were initiated. In 1948 the Constituent Assembly of India enacted the 'Damodar Valley Corporation Act' and also the 'Electricity (supply) Act. Thus all the preliminary tasks had been accomplished by Dr. Ambedkar with regard to multipurpose river valley development during 1944-46 especially in connection with river valley projects on Damodar, Mahanadi, Sone and other rivers.

Dr. Ambedkar was instrumental in setting up of various bodies for the making and working of policies in which he was also involved as the head of concerned portfolios. The significant events during this tenure were the establishment of the CWINC (Central Waterways and Irrigation Committee at the Centre) on Electric power and the CTPB (Central Technical Power Board), a strong technical organisation designed to collect data, conduct surveys and prepare schemes for electrical development in consultation with Provincial and State Government.

As a Member of Reconstruction Committee (RCC) of the Council, President of the Committee on Irrigation and Electric Power and with his close association with 'Official Committee' Dr. Ambedkar contributed in significant measures to the formulation of objective and strategy of post-war reconstruction. For, "The ultimate object of all planning must be to raise the standard of living of the people as a whole and to ensure employment of all. To that end, the purchasing power of the people must be increased by improvement in the efficiency and consequently the productivity of labour on the one hand, and simultaneous development and a reorganization of agriculture, industries and services on the other (Moon 1997)."
It is evident from the records that the erudition of Dr. Ambedkar, especially his scholarship in subjects like economics, political science, constitution and law helped policy making during the post war period. It is also rightly pointed out that Dr. Ambedkar has left his stamp of scientific and rational outlook in the process of economic policy-making and pragmatic strategy formulation.

6.9 Statement of Evidence

Submitted by Dr. B.R. Ambedkar, Bar-at-Law, to the Royal Commission on Indian Currency.

Statement of evidence in the Dr. Ambedkar logically argues as for the choice of methods to be adopted to limit currency. Between convertibility and fixity of issue he prefers the latter. He gives two reasons for his choice. One reason is to get rid of the evil of management since the exchange standard is subject to management, and secondly fixed issue system besides eliminating management process, makes provision of a larger use of gold in currency. In the prevailing inflation, he felt that larger use of gold as currency was preferred. He observes that during the World War the use of paper money on an unprecedented scale, and economy in the use of gold rendering already overproduced gold redundant, led to greater depreciation of gold.

Dr. Ambedkar, hence, was in favour of the abolition of the Gold Standard Reserve because it is built out of the profit of rupee coinage. He observes that "the reserve, and the liabilities i.e., the rupees are dangerously correlated. Since the reserve cannot increase without an increase in the rupee currency... the fund can grow only as a consequence of an increase in the volume of rupee coinage." (Moon 1989:629).
Therefore as he stated his plan for the reform of the Indian currency is “(1) to stop the coinage of rupees by closing the mints both to the Government and the public and (2) to open a gold mint for the coinage of a suitable gold coin (3) to fix a ratio between the gold coin and the rupee (4) to make the rupee and the gold coin unconvertible and to circulate both as unlimited legal tender at the ratio fixed by law.” (Moon 1997:630).

Dr. Ambedkar proposes that the excess Paper Currency Reserve should be ‘extinguished’ as early as possible and the reminder of the Gold Standard Reserve be utilised in the cancellation of the ‘Created Securities’ in the Paper Currency Reserve. (Moon 1989:630-631).

Again, according to him a gain arising from low exchange is not a source of gain to the nation as a whole but within the country it is a gain from one class at the cost of another class.

Considering the fact that currency in many countries is a compound of metal and paper for the reason of stability and elasticity, he feels that in India a greater provision for paper currency reserve should be from good commercial paper to suit the need of seasonal demands.

The Royal Commission on Indian Currency and Finance had visited India in 1924-25 to examine the financial system and to suggest the Reform of the Indian currency. Dr. Ambedkar explained his views in the Statement submitted in reply to the questionnaire issued by the Commission.
In his Evidence he gave reasons for his opinion that the Gold Exchange Standard could not be continued with any advantage to India; it had no native stability of the Gold Standards and while the value of gold in circulation was so large and the new additions to the supply so small that the stability of the standard would be affected. Further, in case of the exchange standard the new additions were dependent upon the will of the issuer and could be augmented so that the stability of the standard could be affected. The second reason was that, in Dr. Ambedkar’s opinion, there was nothing in it to regulate the discretion. He felt that though human nature is uncontrollable and gold standard is a hard standard and is a discretionary currency, there ought to be some regulator by which the discretion left to the issuer is regulated. Hence, an exchange standard is inferior to a convertible standard although both allow the use of discretion; in the use of currency a convertible standard is superior because in it the discretion of the issuer is regulated; though in exchange standard there is regulation by foreign exchanges, it is loose and indirect way of reaching the end and cannot be depended upon in all circumstances.

According to Dr. Ambedkar any plan of currency to be sound must be both economical and secure and hence Exchange Standard though economical, yet for that very reason it is insecure. The economy in the use of gold directly increases its supply which lowers its value and in turn it becomes a depreciating commodity and becomes, for that reason, unfit to function as a standard of value. In Dr. Ambedkar’s opinion “Gold Standard must be accepted as the only system of currency which is ‘knave proof’ and ‘fool proof’” (Moon 1989:627).
Reference: