



R. VENKATARAMAN IN NATIONAL POLITICS

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Abstract:

A True nationalist statesman R. Venkataraman closely associated with national politics. In independent India, his political career begins in national politics and he was very much aware of it. He was a member of Constituent assembly that drafted the Constitution of India. He was elected to the Parliament four times. His Parliamentary career began in 1950 when he was first elected to the Provisional Parliament in (1950-52) and during these two years he actively participated in various discussions and established himself as an eloquent parliamentarian. In 1952, Venkataraman was the Secretary of the Congress party in Parliament. Venkataraman's oratory drew high acclaim from the parliamentarians. In 1953, Prime Minister Jawaharlal Nehru nominated Venkataraman as member of the Indian delegation to the United Nations. In the General Election to the sixth Lok Sabha (1977), R.Venkataraman was successful in the South Madras constituency; at the same time, the Congress party incurred unprecedented defeat in the North, the Congress party, led by Indira Gandhi, got only two seats in the Lok Sabha of a total of 238 in those nine states put together. As most of the former minister and long-standing Congress leaders, including Indira Gandhi got defeated, R.Venkataraman was the most experienced and important spokesman for the party with respect to financial issues in the Parliament.

Key Words: National Politics, Parliamentarian, Lok sabha, Industrial Minister, Defence minister

A True nationalist statesman R. Venkataraman closely associated with national politics. In independent India, his political career begins in national politics and he was very much aware of it. He was elected to the Parliament four times. His Parliamentary career began in 1950 when he was first elected to the Provisional Parliament in (1950-52) and during these two years he actively participated in various discussions and established himself as an eloquent parliamentarian. The then Speaker, G.V. Mavalankar, was so impressed with his performance the nominated him as a delegate to the Commonwealth Parliamentary Conference in New Zealand in 1950. Later, he was elected to the First Lok Sabha (1952-57) and again to the Second Lok Sabha (1957-62). He, however, resigned in 1957 to join K.Kamaraj's Cabinet in Tamilnadu (then Madras). He became, once upon to occupy the nation's highest office the Vice Presidentship and the president of India.

In 1952, Venkataraman was the Secretary of the Congress party in Parliament. Venkataraman's oratory drew high acclaim from the parliamentarians. In 1953, Prime Minister Jawaharlal Nehru nominated Venkataraman as member of the Indian delegation to the United Nations. He continued to be an Indian delegate in the United Nations for a decade which is a rare achievement. During this time Venkataraman was elected as a member of the United Nation's Administrative Tribunal which decides disputes between the United Nations and its employees. Venkataraman remained a member of this tribunal for 24 years. He also became the Tribunal's president. This is a unique honour, Venkataraman was the leader of the Labour Conference in Geneva in 1958 and represented India in the Inter-Parliamentary Conference at Vienna in Austria in 1978.

A prominent economist, Venkataraman brought to Parliament his expertise in the areas of finance and planning. He served as a Member, Planning Commission from 1967 to 1971. The subjects entrusted to him were industry, labour, power, transport, communications and railways. This gave him an opportunity to get a national perspective of the problem facing the country in various and phrase. Regarding the importance of planning with special inference to industrial development, he once observed:

"During the last eighteen years of planning, the economy has been taken out of the traditional rut and a sense of dynamism infused in it. The rates of investment and national income have been substantially stepped up. Structural changes conducive to growth and development have been brought about."

He was a member of the Economic Affairs Committee of the Union Cabinet and also served as Governor of the International Bank of Re-construction and Development (IBRD) and the Asian Development Bank (ADB).

Venkataraman's views on economic matters are well-known and are discernible from his Address to the Indian Chamber of commerce in Calcutta, where he said;

"It is incumbent upon business leaders and managers to do some soul-styles of living and styles of problem solving. In our situation, the State must play an active part in the management of the nation's economy, it can do so best through the totality of planning. Planning does not necessarily mean controls, planning means having a vision of the future, having a well thought out approach for development of key sectors, a well-articulated policy towards acquiring and developing technologies."

While speaking on the 'Role of Planning in Industrial Development' on September, 1969, Venkataraman said:

“Soon after independence, we adopted planning as a means to accelerate economic development. To the newly independent countries, political freedom was only first and initial step in the arduous path towards the ultimate objective of improving the economic social status their large mass of people, steeped in ignorance and poverty and of uniting and welding them into progressive and prosperous nations. Economic development thus became the prime concern of the Governments in the post-independence era in the most underdeveloped countries.”

According to him, the profitability of an enterprise does not depend on the sector to which it belongs but on good management and sound policies. He believes that with the expansion of resources and infrastructure in the country, it no longer necessary to retain the shackles of controls which have built-in undue rigidities and delays.

Industrialization and economic development have become so integrated with each other that the economic progress of a transforming its agricultural economy into a modern industrial one. Increased production and productivity are the hall- marks of national wealth and prosperity. Industrialization thus provides the key to raise income, employment, wealth and prosperity.

Firm believer in international economic co-operation among the developing countries, he lays greater emphasis on the South-South dialogue, because if developing countries realize there, they would be better able to minimize the economic dictates and high handedness sometimes resorted to by developed nations.

As an economist, in politics, Venkataraman looks back with pride at the striking progress the country has made in the last four decades despite the population explosion. He describes the population explosion as: The single biggest factor against the success of our economic Programmes, all the more, the population growth rate is even higher than the economic growth.

He called upon economics to formulate time bound targets for the elimination of poverty and completion of work on the design and content of anti-poverty programmes. This is quite evident from the speech he made while inaugurating the 68th All India Economic Conference in Ahmedabad on 25 December, 1975. He said:

“Even though economic progress was substantial since independence, we have not overcome the basic problem of mass poverty, planning has been instrumental in putting the county’s economy on the path of sustained progress despite severe odds. The problem between efficient use of resources, self-reliance and poverty eradication was not simple.”

In the General Election to the sixth Lok Sabha (1977), R.Venkataraman was successful in the South Madras constituency; at the same time, the Congress party incurred unprecedented defeat in the North. In the states of UP, Bihar, Madhya Pradesh, Rajasthan, Himachal Pradesh, Haryana Punjab and Delhi, the Congress (I) party, led by Indira Gandhi, got only two seats in the Lok Sabha of a total of 238 in those nine states put together. As most of the former minister and long-standing Congress leaders, including Indira Gandhi got defeated, R.Venkataraman was the most experienced and important spokesman for the party with respect to financial issues in the Parliament.

In January 1980, R. Venkataramn, in view of his experience in the Tamil Nadu Cabinet, was accorded the honour of serving the country as Ministry of Finance. By dint of his administrative skills and the far-reaching economic reforms that he introduced, he proved himself as one of the India’s ablest Finance Minister and guided the nation in the difficult years along the path of planned economy.

The economic policy that he adopted was sound and two pronged. On the one hand, he believed in increasing the goods and services to absorb the excess liquidity and on the other, followed a fairly tight money policy, both in regard to credit for non-productive purposes and also to check non- planned expenditure. He was the first Finance Minister who introduced the scheme of Bearer Bonds which netted over Rs.1,000 crores.

On the return of Indira Gandhi to power at the centre in 1980, the natural choice of R.Venkataraman as the finance minister was not surprising. He introduced the scheme of bearer bonds and cash assistance, and subsidies for exports, to meet the balance of payment position of the country. Along with finance, he held temporary charge of industries till I August 1981. As finance minister, he also served as the governor of the International Bank of Reconstruction and Development (IBRD) and he Asian Development Bank (ADB).

From January 1982 to August 1984, R.Venkataramam was the Defence minister. During his tenure there, he gave special attention to scientific research in order to strengthen self-sufficiency and defence-preparedness of the country.

It was this record of the power sector in the state, which led the Planning Commission to appoint Venkataraman as chairman of a committee at national level to review the working of state electricity board. The committee recommended that SEBs should over a period of time aim at covering operational costs, interest reserve, electricity duty and return on capital aggregating to eleven per cent on capital. For a long time, this recommendation remained the benchmark against which the performance of electricity boards was judged.

When Venkataraman took over the Ministry of Finance in January 1980, the outlook for the budget of 1980-81 was extremely bleak, in view of the severe and widespread drought of 1979 and massive expenditure on assistance to states for drought relief. Venkataraman was quick to recognize that unless the administered

prices of these products were suitably enhanced, the Country would face an economic disaster. Under his direction proposals for substantial upward revision of the prices of these were worked out and with the preliminary approval of the prime minister, these proposals, instead of being referred to the concerned ministries for concurrence, which empowered the finance ministry to take any proposal which it considered essential for the management of the economy direct to the cabinet. After a heated discussion, the cabinet approved one could say acquiesced in the proposal of the finance minister. With the increase in administered prices a few days ahead of the budget, the finance minister could present a mild budget, with both tax increases and deficit financing being kept at moderate levels. Venkataraman enhanced the appeal of his budget further by annulling in one stroke all the increases in middle class, imposed in the previous budget by Charan Singh as deputy prime minister (finance) under the Janata regime. As Venkataraman slowly spelt out all these reductions one by one, he was wildly cheered by the House. After the House rose for the day, Prime Minister Indira Gandhi called him to her room and told him that the budget had been well received by her party men and would be well received by the country, too. In his very first foray into budget-making, Venkataraman had demonstrated that it was possible to be both fiscally responsible and politically imaginative.

Venkataraman played an important role in the formulation of economic policies of the government of which he was a member. He was development oriented and was a firm believer in a mixed economy in which both public and private sectors coexisted. Both would enjoy the support and patronage of the government and both would be subjected to regulation in public interest. He was all for free enterprise but not for freebooters. He was centrist on economic issues. He was a fiscal conservative in so far as he believed that the government should pay its way. He was the last finance minister to present a budget without a deficit on revenue account. When he demitted office in 1992 as president of India, the economic reforms had just got under way. While he would have endorsed most of the reforms, it would be interesting to speculate on whether he would have disapproved of any of the reform already implemented or those that are under contemplation. We can be sure that he would not have approved of any denigration is fashionable now among sections of our elite, of the role of government in economic development, nor would he have accepted that there are market-based solutions for all our problems. He would have cautioned that the 'invisible hand' on which some of our reformers place so much reliance could sometimes be that of a crook. He would have stressed the importance for the national well-being, of the small farmer, small and medium industry, and the street corner store. He would have emphasized the need to encourage, preserve and foster indigenous Indian talent and enterprise, and to not allow them to be overwhelmed by multinationals from abroad.

An able Parliamentarian and a forceful speaker, R.Venkataraman evinced keen interest in wide range of subjects. He always used to come fully prepared for parliamentary debates and discussions. His parliamentary skill and eloquence, coupled with a constructive approach to the problems facing the country earned him a prominent place in his party. Even the members of opposition admired him for his deep understanding and appreciation of the issues and problems that came up before the House. During his initial years in Parliament, his contribution, even as an ordinary member of Lok Sabha, was indeed remarkable. In the First Lok Sabha, he was one of the founders of a 'ginger group' which mobilized effective backing in the Party to Government's progressive socio-economic and policies. His scholarly contribution during the debate on the Constitution amendment relating to 'Right to property' will always be remembered. He convinced late Panditji that the change in article 31 should apply to all types of proper to ensure equity as between the rural and urban sectors. Pandit Nehru agreed to amend the bill to this effect even after its introduction in Parliament. It was Venkataraman's effective eloquence that impressed Panditji and brought him closer to the nation's topmost leaders.

A straight forward and pragmatic economist, R.Venkataraman believes that cash assistance and subsidies are inevitable for the development of exports. This is evident from his following observations made in the House on 18 August, 1981 while speaking on the Export Import Bank of India Bill:

"We cannot do away with cash assistance and subsidies for our export because our balance of payment position is so difficult that unless by a concerted effort at improving the exports, we reach a sort of balance in our payment position, the country's progress will be retarded. Therefore, taking into account the overall needs of the country, it is very necessary to promote exports and that promotion will have to be done by giving a certain amount of subsidies and certain amount of assistance.

The Government reviewed the position of advances to Scheduled Castes/Scheduled Tribes borrowers as share of priority sector lending of the Public Sector Banks. The banks were requested on 2-4-1980 to take measures to ensure that the credit measures to ensure that the credit needs are met in an increasing measure.

To prevent smuggling of silver, anti-smuggling measures have been intensified at all vulnerable areas including airports, the West Coast and land borders. Preventive and intelligence staffs have also been suitably instructed to take stringent action against the person involved in the smuggling. The provisions of Chapter IV-B of the Customs Act, 1962, containing regulatory provisions on the possession, transport and sale of silver, which were already applicable to the 50 Kms. Belt along the Western Coast and the Coasts of Tamil Nadu and Pondicherry have also along the Indo-Pakistan and Indo-Nepal borders with effect from 27th March, 1980.

The study on Capital Formation in Private Corporate Sector, 1951-1977 is still under preparation by the Economic and Scientific Research Foundation, and as of now, only a preliminary summary of the study is available. The main observations made therein are that retained profits of the corporate sector have come down due to escalations in costs and tardy increases in realized prices. Therefore, internal resources are inadequate. Also, intermediaries are garnering more of financial savings, which in turn are enmeshed with Government's plans to attract resources. Hence, institutions like LIC, UTL must be asked to invest larger incentives should be provided to create interest in shares, and fiscal and other create interest in shares of Corporate Sector.

The contention of the study is that there has been a decline in household sector's investment in shares of the private corporate sector. Despite the fact that fiscal incentives have been given to the Private Corporate Sector in the form the income tax holiday for new units in priority sector, exemption from the income tax of dividends from companies opts a prescribed limit, export incentive, tax concessions on investment in the quit, investment allowance, etc. There appears to be no marked enthusiasm among the public to invest in the corporate shares. Government keeps a close watch over the investment climate in the country and suitable fiscal and other steps are taken as and when required. In order to reduce the deficit and increase the national income he advised the reduction of subsidy. He also tried to bring down the inflation.

Venkataraman also served as Defence Minister in Indira Gandhi's cabinet. Here too he worked for achieving national self-sufficiency and indigenous production. Venkataaman introduced several projects for manufacture of rockets, missiles, battle-tanks and light combat aircraft. As Defence Minister he laid emphasis on research in defence. It was then that for the first time India was able to produce Titanium metal used for aircraft this was a technology that other countries were not willing to share with India. To have developed it in Indian laboratories was no little achievement.

Venkataraman has always argued for the nation's reliance in all spheres. As Defence Minister, he emphasized the importance of science research in Defence. During his tenure as Defence Minister, he did everything possible to strengthen national Defence, without funds being wasted. Not only did he introduce several projects for manufacture of rockets, missiles, battle-tanks and light combat aircraft, but also worked with extreme dedication and constant vigilance, towards achieving indigenous production.

He has had full faith in the patriotic sense of the Defence forces. Reinforcing his faith in our Defence forces while speaking in the Lok Sabha on Espionage Activities Bill on 20 December, 1983 he said:

"As against one per cent of possible blacksheeps in our Defence forces, 99 per cent are patriotic and have the sense of duty and they will not let down this country. The recent events have shown clearly that is involved, will bring it to the notice of the higher authorities and then see that this is burst."

In his scheme of building a modern, strong and progressive India, R.Venkataraman always placed security and defence amongst the nation's top priorities, and invariably and supported building our own strong defense structure along with the needed nuclear capacity, rather than looking or outside help all the time. As the country's defense minister, he forcefully outlined his vision for building a strong defiance.

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