

## **RAJAJI LIFE AND ECONOMIC DEVELOPMENT**

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### **ABSTRACT**

Freedom and Democracy are essential for growth and development of the nation. Rajaji's far-sighted economic policies and ideologies based on freedom are the way for quick economic prosperity and social stability. It would strengthen free society. On the other hand, socialism based on "command economy" worked havoc. There are more people today below the poverty line in India than ever before. The gains of the economy have been cornered by the corrupt politicians, bureaucracy and sycophant businessmen. The stability of the society is in danger. In 1957, I had the privilege of meeting Rajaji for the first time. In the course of the talk, he told me: "Tell business men to give up their fears and boldly speak out their views on economic policies on what is good for the country." When I mentioned to Rajaji the difficulty of such a task in view of the fear complex of many business men, he counselled: "There is nothing to be afraid of the Government if one is sincere in the expression of one's views." He gave his own example. Early in his life, there was an occasion to criticise some policy of the then British rulers of the country, and all advised him against it saying that the powerful government would crush him. Nevertheless he went ahead, and found to his pleasant surprise that instead of penalising him in any way, the Government respected him all the more for his frank expression of views in public interest. Further, it went out of the way whenever he had to deal with the Government to accommodate his wishes.

**Key words:** Democracy, economic, businessmen, accommodate.

### **Introduction**

Rajaji's main concern was with public welfare, particularly welfare of the poor masses of people. Though he was not given to usual theatricals of many politicians who shed tears for the poor, Rajaji sincerely strove to improve their lot. The living conditions of the poor can be improved only by increasing production, and economic opportunities for the masses, he argued. In Rajaji's own words, "The wellbeing of the teeming millions can be steadily achieved only by production and yet more production; and this can be brought about by industry, and this again only by incentive, saving and capital, and not by taxation and repression." Thus logically argued, Rajaji's economic thinking was based on commonsense and a realistic view of human nature.

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His thinking was in sharp contrast to the then prevalent belief of many politicians that the way to promote public welfare was by distributing existing wealth. Rajaji knew and argued that more production was the only answer to poverty. In order to promote greater production, according to Rajaji's cogent arguments, it was essential to have freedom. Hence he was opposed to statism or state intervention beyond legitimate requirements in economic affairs of the country. He had a felicity to coin telling phrases to describe complex situations. The all-pervasive statism in India's economic life was described by Rajaji as "Permit-licence-quota-Raj" a phrase which has become part of economic jargon.

### **The early history of C Rajagopalachari**

C Rajagopalachari, also known as Rajaji or C.R., was born on 10 December 1878 in Thorapalli Agraharam, Krishnagiri District in Tamil Nadu. His father Chakravarti Venkataryan was the munsiff of Thorapalli, who with his wife Singamma had two other sons apart from Rajagopalachari. Rajagopalachari studied in elementary schools at Thorapalli and Hosur and passed his matriculation in 1891. In 1894, he secured a BA in Arts from Central College in Bangalore. In 1897, he graduated in law from the Presidency College, Madras. He started his legal career in Salem, Tamil Nadu in 1900. His interest in politics and society was ignited at that time. In 1911, he became a member of the Salem Municipality. He also served as its chairman from 1917 to 1919. It was during his tenure as chairman that the municipality got its first Dalit member, and Rajagopalachari had a big role in this development.

### **Role during the Independence Struggle**

He joined the Indian National Congress and participated in the 1906 session at Calcutta. After that, he became more involved in national politics. He took part in the anti-Rowlatt Act agitations. With the coming of Mahatma Gandhi into the independence movement, Rajagopalachari became a keen follower of Gandhi. He quit his legal practice and took part in the non-cooperation movement. In 1921, he became the party's General Secretary. He led the group of 'No changers' in the Congress Party who were against entry into the Imperial and the provincial legislative councils. He was also involved in the [Vaikom Satyagraha](#). In the 1930s, Rajagopalachari became a leader in the Tamil Nadu Congress. When Gandhi was leading the Dandi March in 1930, Rajagopalachari made a similar march at Vedaranyam and defied the salt laws. For this, he was arrested. After that, he was elected the President of the Tamil Nadu Congress Committee. After the 1937 elections, the INC came to power in the Madras Presidency and Rajagopalachari became the first Premier of the Madras Presidency. As premier, he issued the Temple Entry Authorization and Indemnity Act 1939 and removed restrictions on Dalits entering Hindu temples. He also passed an act to ease the burden of agricultural debt on the state's farmers. He also implemented Gandhi's Nai Talim scheme of education for which he was criticised citing casteist motives. Perhaps the best-remembered facet of Rajagopalachari's government in Madras was the introduction of Hindi as a compulsory subject in schools. This was met with widespread protests and anti-Hindi agitations, not to mention contributing to his unpopularity in Madras. The protests turned ugly and two people were even killed. The governor repealed the law in 1940. Despite the censures, historians consider Rajagopalachari-led Madras as one of the best-administered provinces in British India. C.R. resigned from premiership when the Viceroy declared India to be a party to the Second World War without duly consulting Indians. He was arrested in December 1940. However, he differed with Gandhi on the issue of the [Quit India Movement](#). He opined that dialogue with the British would be beneficial and that neutrality in the war would

be harmful in the wake of a German invasion. He also offered a resolution to the INC-Muslim League impasse over the issue of partition in the form of the [C.R. Formula](#).

### **Post Independence**

From 1946 to 1947, he was the Minister of Industry, Supply, Education and Finance in Jawaharlal Nehru's Interim government. In 1947, he was appointed the first Governor of West Bengal. For a few days in November 1947, he was made the Acting Governor-General of India in the absence of Lord Mountbatten who had gone on leave to England for a personal engagement. From June 1948 to 26 January 1950, he served as India's Governor-General. He was the last and only Indian to hold that office. He also served as the Home Affairs Minister for 10 months from December 1950. At this time, differences cropped up between him and Nehru and he resigned as minister and returned to Madras. He was appointed the Chief Minister of Madras State in 1952 despite the Congress being reduced to a minority in the assembly, and the governor of the state was criticised for this move. During his tenure as CM, there was a strong movement for a separate Andhra state. Rajagopalachari refused to relent and was oblivious to the fasting being undertaken by PottiSriramulu. Sriramulu died as a result of the fasting triggering widespread riots in Madras city and in the Telugu-speaking areas. Finally, Andhra state was created in 1953. His government became further unpopular when he introduced the controversial Modified System of Elementary Education. He eventually resigned as CM in 1954. In 1957, he resigned from the Congress Party. In 1959, he founded the Swatantra Party along with Murari Vaidya and MinooMasani. He was against the leftist lean of the Nehru-led Congress and advocated liberal policies. He was not in favour of Soviet-style socialism and also coined the term 'License-permit Raj'. In 1965, when the Government of India adopted Hindi as the official language, Rajagopalachari opposed this move along with other leaders like Periyar and Annadurai. In 1967, his Swatantra party forged an alliance with the DMK and the Forward Bloc and ousted the Congress in Madras for the first time in 30 years. CN Annadurai became the CM then. His party also emerged as the single largest opposition party in the [Lok Sabha](#) in the 1967 elections. His health started deteriorating in November 1972 and he passed away on 25 December 1972 aged 94. He was conferred the [Bharat Ratna](#) in 1955. He was referred to as 'my conscience keeper' by Gandhi. He was a prolific writer and has several books to his credit in both Tamil and English. His abridged English versions of the Mahabharata and Ramayana are still read by children. He wrote several scholarly pieces on Hinduism. He also translated the *Thirukkural* into English. He also wrote on Socrates in Tamil. He was awarded the SahityaAkademi Award in 1958. Apart from literature, he contributed to music as well composing at least a couple of famous songs which are sung in Carnatic concerts today.

Rajaji carried on a relentless war against what he clearly saw as two evils—deficit financing and inflation and heavy taxation. In "warajya" (2~.9.1960), he approvingly quoted a booklet on "deficit Financing" by the late Prof. S. R. Shenoy. Though it was an era of inflation which began with the Second Five-Year Plan in 1956, his message found few receptive ears because of spurious arguments that inflation was a world phenomenon, or that it was not only inevitable but was even good for a developing economy. Only as the suffering of the fixed income groups became intense, and the promised economic development did not materialise, the wisdom of Rajaji's warnings became apparent to the general public. Rajaji rightly pointed out that inflation defeated the very objectives of the government. First, it impoverished the masses further. "As a result of inflation, income shifts from the masses to the upper income group. The middle classes are most hit .... Industrialists and their labour force, who are able to extract a share in receipts, do not suffer much but the condition of the vastly

large number of farm hands in worsened." (Sept. 24, 1960, "Swarajya"). The Permititence-Quota Raj was an outcome of inflation and defeated the government objective of narrowing the gap between the rich and poor. Reason: "Inflation must be followed by price controls and import restrictions. These produce a great deal of economic and social disorder and injustice. The controls on steel, coal, cement, rubber, fertilisers and foodgrains have cast a gloom over the life of the people. Far from equalising incomes, the policy of controls makes the rich richer." (Sept. 24, 1960,"Swarajya").

In 1952, When C.Rajagopalachari assumed power in the Madras State the economic condition of the state was not in a good condition. The state was severely hit by the monsoon failure in most parts of the state. The state Government took measures for the suffering people, by the inclusion of free distribution of food and provided employment. The supply of free food with gruel was organised in the drought affected areas. Jawaharlal Nehru toured these areas. Meanwhile, V.S. Hejmadi, the Famine Commissioner visited Thanjavur District and reported to C.Rajagopalachari. Then C.Rajagopalachari toured 3 days in Thanjavur and Tiruchirapalli.

In the absence of regular agricultural operation, scarcity of employment was generally felt in the fields like minor irrigation tank improvement, rural water supply etc. Road improvement programmes were put into execution to provide employment. Special road works were under taken. The post war road development of villages were sanctioned on a full grant basis in areas where unemployment problem was comparatively acute. A number of ponds and canals renovations, repairs and construction had been sanctioned. Out of the Madras State Famine Relief Fund a sum of 8,96,000 was allotted to the collectors of affected districts in 1952, and 10,05,500 in 1953. Volunteer associations like Danish Relief Committee gave 30 pumpsets and Federal Republic of Germany gave 168 pumpsets and 425 pipes. There was 160 tons of rice and 250 tons of milk powder received from United Nations International Children Emergency Fund (UNICEF).

There were 6500 tons of wheat 3,250 tons of rice and 325,000 tons of condensed milk were received as gift from the Trade Unions in Russia. In order to ascertain whether there was any real response from agriculture labour to accept hardwork at low wages indicating the existence of scarcity conditions in an acute form, the Government directed the collectors to provide employment on works, termed "Low Scale Famine Relief Measures" an analogous to best works in the famine code in the areas where there was persistent demand for starting relief works. Under this scheme men were paid 8 annas, women 5 annas and non adults 2 annas per day. A sum of Rs.5.29 crores were spent on relief works from 1st October 1951 to 15th September 1953 in all areas. Loans were distributed on a liberal scale to the ryots in the affected areas for the purchase of seeds, manure, cattle rearing, pumping, installation etc and special remission of the revenue for the affected parts were sanctioned. The scheme of subsidising drinking water wells at Rs.150/- per well was given in Ramanathapuram and Tirunelveli Districts. The civil supply lorries distributed drinking water in these districts with the collector's order. The union minister of commerce T.T.Krishnamachari toured around the southern districts at the instance of the Tamilnadu Congress Committee, accompanied by its president to study the scarcity conditions in these districts.

### **Conclusion**

At the same time the Government issued orders to appoint District Collectors, Tahsildars, Deputy Tahsildars and other subordinate officials to check smuggling of food grains during the drought period. After famine, a

huge cyclone swept over the entire districts of Thanjavur, Tiruchirapalli, Pudukottai, South Arcot, Cuddalore and Chidambaram. It caused more damage to life and property of the people. Some thousands of acres of paddy were spoiled by water. Immediately the Chairman C.Rajagopalachari took the necessary steps to tackle the problem. The Revenue Minister M.A.Manikavelu Naicker visited the cyclone affected areas in Tiruchirapalli District. The Prime Minister Jawaharlal Nehru sent a sum of Rs.15 lakhs from the Prime Minister's Relief Fund to the Government of Madras, for the relief of the cyclone affected people of Madras State. Loans were given for the people to rebuild their houses.

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