

JRD TATA (1904-93) AND INDIA'S ECONOMIC ASPIRATIONS

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JRD Tata (1904-1993) was a leading industrialist. When the Government of India announced after independence that it would follow the policy of mixed economy, he was gratified. But later he became disappointed because the policy drifted towards dogmatic socialism which he saw as retarding economic growth. He pleaded for liberalization in economic policies, and he and his friends formulated the Bombay Plan. JRD Tata held that Indian plans were too ambitious and also counter-productive. He was also the father of civil aviation in India, and had advocated control of India's growing population. Through a review of literature, this article argues that JRD Tata was ahead of his times, as his views can be seen to represent the economic aspirations of today's India.

Keywords: Socialism, liberalization, aviation, birth control.

Introduction

Jehangir Ratanji Dadabhai Tata headed the House of Tata. He was the first industrialist to be awarded the Bharat Ratna in 1992. His stand on economic issues differed from the economic policies of successive Indian governments. But subsequent governments took a u-turn. This paper discusses his economic ideas which represented economic aspirations of today's India. The article reviews JRD Tata's contributions in the field of economic policy, economic planning, industrial development, and other miscellaneous matters.

Economic policy

In 1955 the Indian National Congress accepted establishment of the socialistic pattern of society as its goal. The Government of India appointed the Monopolies Inquiry Commission. It analyzed 75 industrial groups, including the Tata Group, whose assets at that time exceeded Rs. 5 crore. It recommended, "...the dangers from concentrated economic power and monopolistic and restrictive practices are not imaginary but do exist in a large measure either at present or potentially" (Report of Monopolies Inquiry Commission, 1965, p. 139). At the time JRD Tata wrote, "It would seem that the greatest danger to this country today does not come from our multiplying population, from the threats across our borders, from

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communal bigotry and strife, from the continued poverty of our people, but, believe it or not, from the concentration of economic power in the hands of a few individuals or firms, conducting large operations – that is, large by Indian standard but small by world standard” (Sabavala & Lala, 2008, p. 75). He added, “As the head of the largest industrial group in the private sector, I must be possessed of a tremendous concentration of economic power. As I wake up every morning, I carefully consider to what purpose I shall apply my great powers that day. Shall I crush competitors, exploit consumers, fire recalcitrant workers, topple a government or two?I have myself totally failed to identify let alone exercise it” (ibid., pp. 75-76). JRD Tata pointed out a dichotomy, “Strangely enough, if a large business house like Tatas does not embark for a while upon any new major industrial venture, it is accused of inactivity and lack of dynamism. If it seeks to diversify into a promising medium-sized venture, it is accused of attempting to crush, or block the growth of small entrepreneurs. If it wishes to embark on a major capital intensive project, it is accused of monopolizing capital resources and adding to its concentration of economic power” (ibid., p. 76). In other words, he considered that the government’s stand was both confused and contradictory.

After independence, India adopted the system of mixed economy. JRD Tata reminisced, “I... believed that India would thus progress even faster than other countries, which relied on only one source of entrepreneurship and investment. I had a vision of a partnership between the public and private sectors, each concentrating on those fields for which it was best suited, each complementing and supporting the other and both actively helped by the government in converting India rapidly into a great industrial power and, in the process, in creating millions of jobs every year for its people” (ibid., pp. 61-62). He observed, “We have the goal of a ‘socialistic pattern of society’ set before the country. If it means a society in which all have equal rights and opportunities, the underprivileged are protected and helped to a better life, economic activities are harnessed to constructive nation-building purposes and selfish abuses and anti-social acts are checked, we should all support it” (ibid., p. 90). But this was not to be. Tata pointed out, “Our Government, from the Prime Minister down, never failed to proclaim the establishment of socialism as its principal objective, never that of a welfare state. With socialism equated in their minds with a dominant and ultimately exclusive public sector, private enterprise could not be allowed to grow, while big business became anathema” (ibid., p. 62).

The result was disastrous. Instead of harnessing energies, abilities, resources and expertise for economic development, the Government of India's economic policies favoured only small scale units in the industrial field. In his address to the Rotary Club of Bombay on August 25, 1970, JRD Tata argued that "Socialism's primary aim should be to assure to every Indian the basic necessities of life and the right to work and to earn a decent living. In the economic... plane, a welfare state is the very essence of twentieth century socialism to which I subscribe unreservedly" (ibid., p. 62). He said in the same address, "...I suggest to my socialist friends in and out of the Government, that their policies are betraying the true ideals and aims of socialism and the interests of the masses whom they are supposed to represent. Let them look beyond our shores and see for themselves the magnificent achievements of twentieth century democratic socialism in action in country after country around the globe.... the sands of time are running out of them, that the people of India will not accept much longer the sacrifices needlessly thrust upon them in the name of barren and outdated socialism, which brings them nothing but continuing poverty, unemployment and misery" (ibid., p. 62).

In pursuance of socialism, the Government of India evolved 'a licence and permit raj'. Tata lamented, "I need hardly mention the incredibly difficult, time-consuming and frustrating conditions under which Indian private enterprise, willing to undertake new projects or expand existing ones, has had to operate during the last few years. Had it been the Government's deliberate wish to discourage private investment in the industrial field, it could hardly have adopted a more appropriate set of economic and fiscal policies, measures and controls than it actually did" (ibid., p. 77). He pointed out that armed with "a formidable panoply of economic weapons in the shape of punitive taxation and monetary, price, distribution and other controls," during the Third Plan the government "successfully created... a situation where not only has the capital market virtually ceased to exist, but any attempt to create or expand industries in the private sector involves a nightmarish process of long-drawn negotiations, discussions, applications, representations and reminders with, and to, a host of Ministries and Departments" which were "more than sufficient to discourage" the most enterprising investors (ibid., pp. 77-78). The government's intervention in the normal functioning of industry was as pervasive as redundant. JRD Tata observed, "Deprived of the right to decide what and how much to produce, what prices to charge, how much to borrow, what shares to issue and at what price, what wages and bonus to pay, what executives to employ and what salaries to pay them and in some

cases, what dividend to distribute, directors and top management from the Chairman down, hardly have any economic power in our country” (ibid., p. 82). Thus, there was more or less a complete control of the government on the working of industrial establishments.

When Tata Locomotive and Engineering Company decided to produce heavier vehicles around 1970, it had to obtain a clearance from the Monopolies and Restrictive Trade Practices Commission which decided to ascertain the interconnection among the Tata companies. While addressing the annual general meeting of Tata Chemicals, JRD Tata severely criticized the Commission. He said, “In the last few weeks little else has been done in the Head Office... than to answer a host of questions and submit a mass of documentation to the Monopolies Commission.” All this was about a project which was not even remotely connected with this Company. He called this investigation “...not only an inexcusable waste of the time of Government and corporate officials but a form of underserved harassment of companies and officials who try to do a good and honest job and serve their company and their country to the best of their ability” (ibid., p. 81).

On another occasion Tata observed, “I need hardly mention the incredibly difficult, time-consuming and frustrating conditions under which Indian private enterprise, willing to undertake new projects or expand existing ones, has to operate.... Had it been the Government’s deliberate wish to discourage private investment in the industrial field, it could hardly have adopted a more appropriate set of economic and fiscal policies, measures and controls than it actually did” (ibid., p. 77). Thus, the damage to the investment climate was complete. JRD Tata believed that the private sector had reached a stage of development and expertise where it could make a major contribution for economic development. Yet, mistrust of the private sector, particularly in large-scale industry, was such that it seriously impeded economic growth. He continued, “Thus, we find leading industrial houses, endowed with financial and managerial resources enabling them to tackle large projects with efficiency and despatch, accused of concentrating economic power and of seeking industrial monopolies if they apply for licences for new projects and, of lack of initiative and drive, if they do not!” (ibid., p. 78). Therefore, industrial houses were unwittingly placed between the devil and the deep sea.

Wrong economic policies were invigorated and not abandoned. Tata observed before the Central Advisory Council of Industries, New Delhi on October 14, 1966, “Even the most hidebound physician

is prepared to change the treatment or diet he has previously prescribed if he finds that the patient does not respond to it. There is today no sign that our own doctors in the Planning Commission and in the Government are similarly prepared to change their economic prescriptions" (ibid., pp. 95-96). In this sense, the policy-makers were caught in a web of their own creation. Among others, JRD Tata made four points. First, foreign capital was a pre-requisite for Indian development. Second, there was an urgent and imperative need to revise the tax structure for both corporate and individual sectors. Corporate taxation should stimulate investment in priority areas. Third, the public sector had a great role to play in economic development which was possible only if a drastic change was made in its management by giving its management more autonomy (Tata, 1967). Tata believed that "the greatest obstacle to efficiency, drive and morale" to this sector lay in the over-centralization of decision-making power in New Delhi (ibid.). In other words, in democratic India the government acted in a totalitarian manner in the economic sphere. Fourth, he proposed that business should take up responsibility for rural upliftment (Mambro, 2008). In the 1970s some Tata companies incorporated social obligations into their Memorandum and Articles of Association. Corporate social responsibility (CSR) came to be an article of faith for the Tatas ever since.

JRD Tata was critical of Indian socialism, "If it means a society in which all have equal rights and opportunities, the underprivileged are protected and helped to a better life, economic activities are harnessed to constructive nation-building purposes and selfish abuses and anti-social acts are checked, we should all support it" (Sabavala & Lala, 2008, p. 90). "But if it means a society in which individual enterprise and initiative are discouraged, most of the industrial apparatus is owned by the State, economic power is centred in the hands of the government, and the individual loses freedom of choice, whether as producer or consumer, it will, I submit, not only be an inefficient society incapable of producing at low cost the volume and quality of goods and services required by our people, but it will also be a regimented and undemocratic one, which all freedom-loving people should reject" (ibid., p. 90). He noticed the general belief that the profit motive was anti-social and could be replaced without loss of productivity by a selfless desire to work solely for the good of the community. It was also claimed that socialism was the only equitable path to prosperity. He pointed out, "Apart from the fact that there is nothing morally wrong and much good in individuals yearning to better their own and their families' living conditions and to seek material reward and financial security in return for productive effort,

a remarkable aspect of the disparagement of material incentives and rewards is that, while they are regarded as unobjectionable in the peasant and the worker, they are condemned in the professional man, the administrator, the manager, the entrepreneur and the investor....” (ibid., p. 90).

Contemporary world events induced people to have second thoughts about socialism. Tata wrote to Sri Prakasa, Governor of Tamil Nadu, on July 11, 1953, “No one with any social conscience can disagree with the ideals of socialism but world events of the last thirty-five years or so have made thinking people in most countries pause and take stock of its practical aspects and consequences. They have come to realize that the dream of a classless society organized on the basis of cooperative endeavour is one thing, but that the concomitant reality of the rule of an all-powerful bureaucracy under a ruthless dictator is another. In our country political immaturity and economic illiteracy aggravate the tendency of our people to avoid thinking through problems that face them” (Mambro, 2008, pp. 311-12).

JRD Tata observed, “It is time that the Government undertakes a concentrated and determined programme aimed at raising the productive efficiency of public sector enterprises. The first step required in that direction is, I suggest, to limit its own role in their management.... a prime cause of the inefficiency and high cost prevailing in most public sector enterprises in our country does not lie in the quality, competence or dedication of their Management and staff, but in the continuing denial to them of the degree of managerial freedom of action essential to the efficient management of any large undertaking” (Sabavala & Lala, 2008, p. 47). He recollected, “I have, on many occasions in the past, drawn attention to the serious harm done to the country by the excessive politicization of economic policies and their implementation, and by the Government’s interference, often under Parliamentary pressures, in the day to day operations of public sector enterprises. As a result, speed of decision and action, discipline, morale and efficiency vanish, production levels remain low and costs continue to rise, all to the serious detriment of the long-suffering consumer and of the economy as a whole. Through their multiplier effect, the resulting shortages and rising costs of fuel, power and rail transport in particular, have permeated throughout the economy and raised the cost and therefore the price of almost every product and commodity in the country, including agricultural or agro-based products” (ibid., p. 47).

Economic planning

The Indian National Congress leaders appointed the National Planning Committee for India's economic development in 1938. Jawaharlal Nehru was its chairman and K. T. Shah its secretary. It prepared reports which were published with Tata's financial support. Shah wrote to him, "... you have helped us very materially in enabling me to bring out the volumes...." (Mambro, 2008, p. 464). Although these reports fizzled out, Tata's national interest in planning continued. He invited his friends to devise a post-war plan of economic development in Bombay House (his headquarters) in Bombay on December 11, 1942. The plan was published in 1944. Nehru wrote in his prison diary that it was one of "the most cheering & promising signs of the times in India recently." He opined, "For my part I have welcomed this plan and think that it is admirable.... What has pleased me immensely is a speech of Jehangir Tata's in explanation of this plan. This shows an approach & a grasp of the wider situation which is surprising and remarkable in a man circumstanced as he is" (Gopal, 1986, p. 353).

The Communist Party of India, Radical Democratic Party, Shriman Narayan, B.R. Shenoy and others criticized Tata's plan. The Intelligence Bureau, Government of India, held that it was to the moderate benefit of the masses and to the immense profit of big business. *The Economist* (London) commented, "The plan of the Bombay industrialists for the rapid increase of India's national income was followed by a "people's plan" from the Muslim League, and by a plan for economic nationalization from the Indian Federation of Labour. There is a talk of a five-year plan from the Government of India before the end of the year. All roads for the moment lead in the ways pointed by the Bombay Plan, though the political implications of the various proposals which are being matured differ most radically" (Indian Reconstruction, 1944, p. 747). The weekly broached this subject again, "The aims stated are no doubt admirable and eminently to be desired....These and similar objectives must be the target of all plans for India...." (The Bombay Plan, 1944, p. 805). Recently, David Lockwood concluded, "If the Bombay Plan was a mere ruse, it was certainly a most elaborate one- a charade played out as much between its authors as for the benefit of the mass movement" (Lockwood, 2012, p. 109).

Tata's interest in planning persisted. He was dissatisfied with the five-year plans. Economists for the formulation of plans were mostly selected for their leftist leanings and were more concerned with introducing socialism than economic development. In the

course of the first three plans the overall economy faced shortfalls and imbalances. Tata regretted, "The advocates of need-based plans... failed to realise that an unduly large plan is self-defeating.... The difficulties inherent in establishing gigantic projects of this nature which would tax the ingenuity, experience and skill of managerial cadres even in advanced countries, are greatly magnified in countries such as ours" (Tata, 1967). He went on to say, "I suggest therefore that a good deal, if not most, of our present troubles have been due not so much to poor implementation but to unsound planning, and specifically, to wrong priorities and inaccessible targets which have led inevitably to targets missing" (ibid.). Although under its five-year plans India made substantial progress, her annual growth rate was still less than 2 per cent as compared with Taiwan, Thailand and the Philippines. At this rate, Tata calculated an average Indian would take 137 years to reach the then existing level of income of a Japanese. Unduly large plans resulted in lethal doses of deficit financing, inflation and shortages. Delays in their execution resulted in spill-over of projects from one plan to the next. Tata wondered whether the five-year plans should not be called seven-year plans. Core projects of the Second Plan reached fruition in the mid-Third Plan and those of the Third Plan by mid-Fourth Plan. Because of delays, the project costs soared and balance of payments problems were aggravated by delaying earnings or savings in foreign exchange. Failure of completion of critical projects came heavily on those industries which relied on them for their basic raw materials. Failure to obtain a return on large investments added to their increased costs resulting in higher taxation and deficit financing (ibid.).

JRD Tata suggested a plan in which the priority targets were clearly enunciated, and reliance for achievement in other sectors was placed largely on competitive forces of demand, supply and profit. This would ensure the maximum results and best usage of scarce administrative talents. In non-priority sectors, maximum reliance should be placed on the market mechanism, tempered by fiscal and monetary measures rather than on detailed physical and price controls which used up too many administrative resources. India, Tata believed, should concentrate its efforts on projects which would bring quick returns to compensate for unavoidable long gestation periods of major projects like dams, electric power plants, steel plants, etc. Moreover, it made no sense to expect the private sector to make large investments but deny a sufficient return to motivate new investments through unrealistic price controls or excessive taxation or both (ibid.).

Industrial development

Although it's a little known fact, JRD Tata is said to be the Father of Indian aviation. He received the first ever pilot licence issued in India on February 10, 1929. He started aviation in India when he flew a puss moth plane from Karachi to Bombay on October 15, 1932. He founded India's first commercial airline – Tata Airlines – in the same year. He launched Air India International in 1948 which was the country's first international airline. Aeroplanes were then considered a rich man's luxury but he believed that aviation had a future. When capital was required for his aviation company, he wrote letters to the rulers of Trivandrum, Bikaner, Hyderabad, Jamnagar, Travancore, Jammu and Kashmir, Jaipur, and others, and also sent them share application forms. Their response was good (File no. TS/Co-A2//FP/1, no date). Civil aviation grew under his stewardship. Nehru wrote to him, "I have had plenty of information from various sources, both official and non-official, about the running of your air service to Europe. All accounts agree in speaking well of it and praising it for its general efficiency. Congratulations" (Gopal, 1997, p. 704).

After the nationalization of aviation companies, the Government of India formed Air-India and Indian Airlines. It requested JRD Tata to be the Chairman of the Boards of both companies. Addressing the last annual general meeting of Air-India Ltd. on June 22, 1953, Tata said, "It is fashionable in some quarters to decry free enterprise, let it be remembered that the highly developed Indian air transport system which the Government are acquiring ready-made and at small cost was built up wholly by private enterprise in spite of the many difficulties and restrictions placed in its path." He added, "I have agreed to remain as Chairman at the head of Air-India International after nationalization....The main consideration, however, which weighed with me is that I would be lacking in a sense of duty if I refused to continue to make whatever contribution I could to the maintenance of the high standard and prestige which Air-India International has established in India and abroad" (Air-India Limited, 1953, p. 1177). In this context Lala says that Tata spent about half of his day working for Air-India and the other half for his other industrial enterprises. He gave his services to Air-India as "a labour of love and took no remuneration" (Lala, 1995, p. 19).

JRD Tata was unhappy with the proceedings of Air-India's board meetings. He wrote to Humayun Kabir, Minister for Civil Aviation, on January 23, 1958, "Whereas during the seven years'

existence of the two preceding Companies in the Tata group, papers were rarely circulated in advance and the Board Meetings hardly lasted more than an hour, Government members of the Corporations have insisted on voluminous notes, with full enclosures, on every single item of the agenda even where the subject is of little importance. As a result, the agendas of both Corporations usually consist of between 100 and 150 pages, and sometimes more, and meetings last up to four hours. In some cases they have had to be adjourned to the next day. Every item is discussed at length and sometimes half of the meeting is taken in the discussion of a single item. Frequently minutes of the previous meeting are discussed to an extent that amounts to a repetition of the previous meeting's discussion. Quite frankly, if it was not for my desire to retain the friendliest relations with all Members and Government officials with whom we have to deal, and also my desire to avoid causing embarrassment or annoyance, I would have been unable to continue on the present basis.... If Government want them run as commercial concerns, they should pick the best men they can get and let them get on the job, subject only to general policy control...." (Mambro, 2008, p. 140). For his contribution to aviation, he received national and international awards, the most prestigious being the Daniel Guggenheim Medal Award, 1988.

Tata wanted to make air planes and twice attempted to do so during World War II. He first attempted to manufacture a Mosquito twin-engine fighter bomber. When preparations were being made to establish the workshop in Poona, the government cancelled the order because it did not want Indians to compete with the British aviation industry. It then asked him to manufacture invasion gliders for the war front. He enquired from the government how it planned to transport them to England and the North-east. As this was impractical, the proposal was cancelled. Thus, Tata's dream to manufacture air planes did not materialize (Lala, 1995).

Tata Iron and Steel Company at Jamshedpur developed well under JRD Tata. Jamshedpur became an ideal township in the fifties and even beyond. Tata commented that, "... Jamshedpur... can boast of system of municipal services which is a model of its kind for all the urban centres in this country; the Company operates these services.... the entire city has grown out of the jungle.... For its employees, the Company has built more than 13,000 houses. Free medical services have lifted the expectancy of life within the last 20 years by four years. The Company's educational activities... cover technical and trade schools and a post-graduate institute." (T.I.S.C.O.'s golden jubilee, 1958, p. 402). It introduced a profit-

sharing bonus scheme in 1936-37. Apart from the basic wage, employees received production bonus, incentive bonus, dearness allowance, food rebate, emergency bonus and annual profit-sharing bonus. They were also entitled to provident and retirement gratuity. In accordance with the modern trend of treating an employee not merely as a wage-earner but as an active partner in industry, the Company associated its regular workers with the management in 1956 (*ibid.*, p. 402).

JRD Tata established other enterprises. In 1945 Tata Locomotive and Engineering Company was created to manufacture locomotives. At the Railway Board's request, it increased the capacity of its Locomotive Division by 50 per cent despite meagre returns (Tata Locomotive and Engineering Company Limited, 1955, p. 702). To end its complete dependence on the Government of India for production, the Company decided to produce trucks with German collaboration. Its name, therefore, was changed to Tata Engineering and Locomotive Company in 1960. Tata wrote to T.T. Krishnamachari, Union Minister for Commerce and Industry, on November 28, 1953, "In view of the many and considerable advantages which the Tata Locomotive and Engineering Company already enjoys as a potential manufacturer of diesel trucks in the shape of available factory capacity, engineering facilities and technical resources, it is exceptionally well placed to undertake such a project" (Mambro, 2008, p. 247). He then added, "With the help and advice of Messrs. Daimler-Benz A.G. we have framed a realistic and practical production programme to secure the fullest and quickest possible development of indigenous manufacture" (*ibid.*). Many years later, H. K. Paranjape (2000, p. 167) wrote that, "The most important achievement of TELCO's R&D was the creation of confidence among the company's employees and customers as well as among others in the country that sophisticated engineering, comparing favourably with the best in the world, could be developed effectively in India".

Population control

Traditionally the huge population of India was considered its strength. When Tata raised this issue with Jawaharlal Nehru, the latter commented, "But Jeh, population is our strength!" (Lala 1993, p. 308). Tata's concern for the population problem went back to 1951 when in a speech he was perhaps the first in India to publicly sound an alarm about it. He warned that unless its growth rate was reduced, no effort to develop the economy could succeed, and disaster would follow (Sabavala & Lala, 2008). He said in 1967, "...had we been able, through an earlier and more effective programme of birth

control to restrict the growth of our population during the last ten years to, say, 1 per cent as achieved by Japan instead of 2.1 per cent..., our population today would be of the order of 415 million instead of 500 million. And our *per capita* income would have been nearer Rs. 500 than the Rs. 400 it is today” (Tata, 1967).

Even though India was one of the first countries of the world to establish a national family planning programme, it failed to achieve a small family norm like European countries. He felt that their success was mainly due to (i) firm determination among the child-bearing people that their children should be healthy, educated and trained in the specialized skills; and (ii) their realization that the cost of education/ professional training had become high. The absence of this realization was the principal reason for the failure to control population growth in India (Sabavala & Lala, 2008). He saw hope for the future in the propagation of family planning through TV and the spread of literacy among women.

Tata pointed out that the explosive growth of population in developing countries had three disastrous consequences. First, it kept the people abjectly poor. Second, it made heavy demands on the earth’s finite resources, causing environmental havoc. Third, it led to migration of population from villages to cities, resulting in urban slums (*ibid.*, p. 144). In a public speech in 1981, he showed that the capital cost to the nation of providing the basic requirements of every additional citizen throughout his/her life and of the progeny over two generations would be Rs. 42,000. Expenditure on incentives and rewards up to Rs. 5,000 per birth saved by sterilization or otherwise could produce spectacular benefits of jobs and housing to the parents (*ibid.*, p. 144).

JRD Tata wrote to Nehru on January 21, 1953, saying that except for a drastic increase in the minimum legal age of marriage, other remedies could not produce results. Nehru wrote to him, “Broadly speaking, I agree with you that we should tackle this problem” (Gopal, 1997, p. 156). He again wrote to Nehru in January 3, 1959 that the population problem was “...the most serious obstacle in our country to rapid economic and social progress.... the most effective solution lies in the development and widespread distribution of a harmless fertility-inhibiting drug or hormone in the form of a pill or tablet which could be made available at little or no cost to the women of India” (Mambro, 2008, p. 374).

He took two practical steps in this regard. In 1956 a Demographic Centre for Training and Research was established in which he had a hand. This was the beginning of the International

Institute of Population Studies, Mumbai. Secondly, in 1970 he founded the Family Planning Foundation of India, a private initiative to supplement the government's efforts to control population growth.

Miscellaneous matters

There were other matters on which JRD Tata worked prophetically. He started up a number of institutes which to the present day are successful and well known. Tata Institute of Social Sciences (TISS), Mumbai can be traced back to its origins in 1936. Tata Memorial Centre for Cancer, Research and Treatment, Mumbai was inaugurated in 1941. Tata Institute of Fundamental Research, Mumbai was established in 1945. Tata gave the idea of the Prime Minister's Relief Fund to Nehru. As Nehru admitted, "For some time past I have been receiving odd sums of money which were either earmarked for relief work or were to be spent at my discretion.... Mr. J.R.D. Tata suggested to me that it might be desirable to open a Prime Minister's Relief Fund or a National Relief Fund, which would attract attention on a considerable scale as there was a great desire to help the refugees from the Punjab and elsewhere" (Gopal, 1986, pp. 187-88). Nehru agreed that for the money sent to the Prime Minister it was desirable to have such a fund instead of diverting it to non-official funds. The trustees of the Fund should include a representative of the Tata trusts (ibid.).

Conclusion

This article has reviewed some of JRD Tata's economic aspirations for India, which he often expressed from public platforms. For many years, his was a cry in the wilderness. He warned the powers-that-be, "In all sincerity and some humility, I suggest... that their policies are betraying ... the interests of the masses... the sands of time are running out on them, that the people will not accept much longer the sacrifices needlessly thrust upon them in the name of a barren and outdated socialism, which brings them nothing but continuing poverty, unemployment and misery" (Sabavala & Lala, 2008, p. 62). Finally, in 1991 the Government of India began unchaining the economy and the process of liberalization continues to the present day. JRD Tata's regret was that by the time this occurred he was too old to purposefully participate in the new order. When he died on November 29, 1993, the BBC called him the legendary Indian industrialist. The Indian Parliament was adjourned, an honour not normally given to non-members. It is conceded by all concerned that in the house of Tata he was the greatest but one (i.e. Jamseti Nusserwanji Tata).

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