SOCIALIST THOUGHT OF
JAWAHARLAL NEHRU

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Jawaharlal was not a pioneer in socialist thinking. Before him there was some kind of socialist thinking. The developments in the U. S. S. R must have promoted this thinking. The workers and the youth were attracted towards it. In the United Provinces, Acharya Narendra Deva and Sampurnanand were slowly drifting towards socialism. In 1926, the UPCC tried to formulate a socialist programme to deal with the local agrarian problems at the instance of Nehru. Yet it must be said that Nehru was backward and "advanced painfully, step by step, where many others had gone ahead blazing a trail." He seems to have been converted to socialism during his visit to the Soviet Union. On 11 August 1928, Nehru wrote, "It is essential that we must clearly lay down an economic programme for the masses with socialism as its ideal. We must cultivate a revolutionary outlook."

Addressing the U. P. Political Conference on 27 October 1928, Nehru said "Our economic programme must aim at the removal of all economic inequalities and an equitable distribution of wealth. I am quite-positive in my mind that there should be ceiling on land". The Karachi Congress at Nehru's instance adopted a resolution which said "In order to end exploitation of the masses, political freedom must include real economic freedom of the starving millions". Nehru reiterated this view in his Presidential address at the Lahore Congress.

In 1936, he wrote in his Autobiography "we have always to bear in mind, the terrible costs of not changing the existing (capitalist) order. A clash of interests seems inevitable. There is no middle path. The emotional appeal of socialism is not enough. This must be sup-

implemented by an intellectual and reasoned appeal based on facts and arguments and detailed criticism”.

By 1936, Nehru was converted to socialism. In his Presidential Address at the Lucknow Congress, 1936, he said “I am convinced that the only solution of the world’s problems and of Indian Problems lies in socialism and when I use the word, I do so not in a vague humanitarian way, but in the scientific and economic sense. I see no way of ending poverty, the vast unemployment, the degradation and subjection of the Indian people except through socialism. That involves vast revolutionary changes in the social structure, the ending of vested interest in land and industry, as well as the feudal and autocratic Indian States system. That means the ending of property except in a restricted sense and the replacement of the present profit system by an ideal of cooperative service”.

In 1951, at the instance of Nehru, the Congress resolved that the aim of the Congress was, the establishment in India, by peaceful and legitimate means, of a cooperative commonwealth, based on equality of opportunity and of political, economic and social rights and aiming at world peace and fellowship. Thus, in 1951, he did not say that he would establish a socialist state. Because he was aware of the fact that some spade work should be done before the introduction of socialism in the country. He took a decade for this purpose. It was on 9 November 1954, addressing the National Development Council, Nehru said that India should be a socialist Pattern of Society which is neither socialist, communist, nor capitalist. This was discussed in the annual session of the Indian National Congress held at Avadi in December 1955.

The Avadi Session of the INC accepted the famous resolution which declared, “In order to realise the object of the Congress, as laid down in Article 1 of the Constitution and to further the objectives stated in the Preamble and the Directive Principles of State Policy of the Indian Constitution, Planning should take place, with a view to the establishment of a Socialist Pattern of Society, where the principal means of production are under social ownership and control, production is progressively opened up and there is equitable distribution of National Wealth”.

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This is not a new policy. It did not contemplate a violent break with the past utterances. In the past Nehru bluntly said that India should be a socialist state. In 1954, he declared that India shall be a socialist pattern of society. This declaration is in accordance with the principle laid down in the Preamble to the Indian Constitution and in the Directive Principles of State Policy which we had already noted. Nehru also claimed that the New Policy was perfectly compatible with the constitution of the Congress and that it was implicit in the stand taken by the Congress from the days of the Karachi Congress or even earlier. The Avadi Congress and the Indian Parliament made it precise and definite.

What is a socialist Pattern of Society? Nehru expressed his inability to give a comprehensive definition to the term but observed that it would be a welfare state, an egalitarian society in which there would be no domination of one section over another. The reduction and elimination of inequality as far as possible, especially in the economic sphere will be one of the major and distinctive features of the socialist pattern of society.

The Basis: The socialist pattern of society is not based on any dogma or doctrine because it is not a socialist but a socialist pattern of society. The votaries of socialism build up a socialist doctrine and argue that if socialism is to be practised effectively, it should be followed from A to Z. Nehru said that this was not possible because conditions differ from country to country and they have to be taken into consideration. At the same time Nehru said that the basic principles of socialism had been adopted. Therefore, the term Socialist Pattern of society was not used in a rigid way. They were used in definite and clear way to point the direction in which the country would travel. Thus, the society would not be based on any doctrinaire basis, but on a workable via media between capitalism and socialism which would be free from the defects of either, and which would be in accordance with the genius of the people.

The Objectives: The main objectives of the socialist pattern of society were three, social ownership or control of the principal means of production, progressive speeding up of production, and finally, equitable distribution of national wealth. While attaching equal importance to all the three objectives, emphasis was laid on increased
production which must precede equitable distribution. By equitable distribution Nehru meant primarily the lessening of inequalities in the distribution of national wealth and equalitarian schemes of distribution of wealth. Redistribution of accumulated wealth would inevitably result from the operation of such levies as Estates Duty.

The subsidiary objectives of this society were that the standard of living must be raised, full employment must be progressively achieved, large industries established and operated and an overall control over the resources of the country should be obtained for social purposes. Further, the anarchic industrial development should be checked.

**Economic Policy:** To achieve these objectives Nehru prepared a definite economic policy which was embodied in the Industrial Policy Resolution of the Government of India, 1948. The principal basis of this Resolution is *Mixed Economy*. The Resolution classified industries into three sectors, Public, National and Private. In the fist are included Post and Telegraph, Railways and Defence industries. These industries must be the exclusive monopoly of the State.

The National Sector included industries which were also the exclusive responsibility of the State. They were coal, iron, steel, mines, air-craft, ship-building, telephones and wireless apparatus. The National sector may seek the cooperation of the private sector. The Resolution of 1948, no doubt provided for the nationalization of the existing industries in the national sector under private management but Nehru assured that they would not be touched for at least ten years. After the ten year period the matter would be considered *de-novo*. All other industries would be in the private sector. Thus, a vast field would be in the private sector. Agriculture which is the largest of the Indian industries would be in the private sector, small scale industries, would remain largely in the private sector though they may be organised on a cooperative basis. So also most of the lighter industries. Nehru also said that if it was advantageous, the State would allow some of the heavier industries too to be organised by private enterprise. Thus, the test was fuller production and fuller employment. As long as the private sector fulfil these two main functions, it would not be disturbed.
Nehru asserted that each sector would play its part. There is no basic incompatibility between the national sector and the private sector. He admitted that in a mixed economy, the proportion of the several items in the mixture would not be fixed for all time to come. There might be change from time to time. Thus, Nehru did not believe in Laissez-faire nor in complete state control over all the economic activities of the individual.

**Industrial Organization:** Since the industrial policy was not based on any doctrine, the industrial organization assumed different forms, according to the different technical needs of the industries. For instance, there is the traditional type, the Departmental management. The control over the departmentally managed industries should be entrusted to a Minister responsible to Parliament — the All India Radio.

The second type is the mixed type company. In these companies, the Government holds about two thirds to three fourths of the shares, the rest being in the hands of Indian or Foreign partners. For instance, the Hindustan Steel Company established in 1953, was to own and operate Steel Plants to be erected in cooperation with the Government. Similar companies have been established.

The third type is the company type in which the Government is the sole share holder. In the post war period, this type has found particular favour in this country. This form was adopted despite the fact that the Government ab-initio owned all the shares. It was adopted for commercial undertakings so that it might afford greater freedom from detailed intervention by the Government. For instance, the Sindri Fertilizer and Chemical Ltd is managed by a Board of Directors formally constituted under the Company's Act. They were in fact Civil Servants, the Chairman being the Secretary of the Ministry of Production. Similarly, the Hindustan Cables Ltd. whose Board of Directors were appointed by the President. A fourth type of organization is the Public Corporation Type. For instance, the Air Lines Corporation, Air India International and the most important, the Damodar Valley Corporation, a multi purposes body established for the control of floods, and for the supply of irrigation water and electrical energy.

**Nationalization:** With the adoption of Mixed Economy as the basis of Indian Industrial Policy, Nehru stopped talking of nationalization of
private industries, and it receded to the background. In fact the Avadi Resolution, the workmanship of Nehru himself, did not speak of nationalization at all. Nehru realised that the State, particularly the Parliamentary system of Government does not provide the appropriate machinery for the day to day administration of a great industry. Already the word has somewhat old fashion about it. G.D.H. Cole was the most illuminating commentator on the idea of nationalization. He said "what the socialist does essentially set out to nationalize or perhaps better to socialise, is not this or that particular industry but the control and direction of the economic life of the country". Control then takes the place of the old order. The underlying reason is, in some ways, an acknowledgement of the individualist argument, namely that things are better done by people who know how to run them. Therefore, to keep the industries in order, it is better to leave their actual operation to those who bring to it something of the virtue of the individualist enterprise. Thus, the idea of national ownership has receded into the background. As Cole says, "Let the State control the national industries and it need not care to know who owns them as it has unfettered power of taxation in its hands." Speaking of nationalization Nehru himself said "As long as those private industries are kept going and are employing many people, we would rather use our resources for developing new projects and employing more people. If these industries are well managed privately, we see no need for nationalization at any time".

In accordance with this policy, the Government of India did not undertake the nationalization of any existing industries. The only example of nationalization was the Hindustan Ship Yard Ltd which was established in 1952. This was done at the request of the Private Company which ran into financial difficulties. Even the Hindustan Ship Yard was a mixed undertaking. The old Company retained one-third of the capital and a corresponding representation on the Board of Directors.

Nehru's economic policy was criticised by the socialists and the communists as Government's solicitude for big business. The Socialists demanded that the Government must undertake the responsibility of managing certain industries, Textiles, Sugar, and Cement which form a large part of the goods demanded by the common man. There was no
possibility of large scale extension of these industries. Further, the existing units need to be modernised. Private enterprise had signally failed in this respect. Therefore these industries must be nationalized. Mines and plantations which were then in foreign hands should be expropriated for the good of the country and should therefore be taken over by the community. To achieve coordinated development of transport, light railways should be nationalised. As highway motor transport forms ancillary to railways, it must be state owned and state managed.

The position of the communists on this question was somewhat dubious. They hoped to capitalise on national sentiment when they recommended the nationalization of coal, plantations and manganese owned by the British. They did not want the immediate nationalization of jute and sugar industries. They laid great emphasis on the nationalization of coal because the country was deficient in metallurgical coal. They did not demand the overall nationalization of banking and insurance but would like the foreign banks being nationalised. This tenderness for Indian owned industry was somewhat new in the programme of the C.P.I. Apparently, it was a matter of tactics. They would spare the Indian banks and estate owners for the present only to be expropriated later on.

From the above it must be evident to one and all, that Nehru's approach to the issue of nationalization was realistic, while that of the socialists and the communists was doctrinaire and tactical. The latter do not anchor their leaky boat near the shorelines of reality. They display immaturity of thought and judgment. After all, the problem was one of production of more wealth, distributing it equitably among the people and put an end to unemployment. The problem of unemployment cannot be solved by nationalization of the existing industries. Instead, it is wiser to establish new industries, and thereby increase production. True Nehru spoke of nationalization frequently as if that was the only panacea for our economic ills. But experience taught him not to advocate nationalization. The Government of India lost several crores of rupees in State trading in rice. There was no promise that the Governmental machinery would become efficient in the foreseeable future. In the Private sector, there is at least the safeguard of accountability to share holders and there is the spectre of insolvency to keep irresponsible adventurism in check. These safeguards are absent in the
public sector. The Taxation Enquiry Commission said that more than one third of the total expenditure goes in waste. According to another estimate, state enterprises lost between one hundred to three hundred percent more chiefly because nationalised industries were managed, not by industrial experts but by Civil Servants. Apart from these difficulties, the great obstacle in the way of nationalization is the payment of compensation.

*Expropriation Vs Compensation*: The Socialists and the communists argued that the difficulties pointed by Nehru in the way of nationalization were not insuperable. They argued that the existing industries should be expropriated without compensation. Nehru pointed out that such a step would no doubt make a tremendous appeal to the havenots but would upset the economy of the country and politics. It may be remembered that the number of haves and their dependents was not small. They would create an unpleasant situation. If we create an upheaval, we stop the progress of the country because we are engaged in the upheaval. Therefore, expropriation, said Nehru, was not practicable. Even if it was practicable, it was against the principles of the country and its past heritage. We should not therefore deprive one, of what he possessed without compensation. Therefore, Nehru condemned expropriation without compensation, both on moral and material considerations.

It may be argued that the existing property system is built on injustice. Most industrial and landed magnates became wealthy while sleeping in their soft beds and without rendering any service to the community. Further, the payment of compensation is not logical because it would leave in tact the exploiters. Above all, the State cannot afford to pay compensation.

Nehru replied that logically the payment of compensation was not justifiable but all logic was not pragmatic. The consequences of confiscation of property would produce disastrous consequences. The sudden disappearance of financial expectation would bring into existence a disloyal community who may resort to sabotage. The Directive ranks of the industry may adopt subversive methods. Machiavelli said that a man may forgive the murder of his father but not the confiscation of his property nor the abduction of his wife. The red ruin of Vali and
Ravana was owing to the fact that they tried to appropriate to themselves the wives of Sugriva and Rama. Wisdom, therefore, dictates that no disappointment should be caused to the present owners of property. The country may pay a higher price in money but the gain in the consequent goodwill is always more than the value of the money paid. In otherwords, what is most essential is the maintenance of good will. When we are seeking to transform the existing capitalist society into a socialist one, the more good will we have the greater the chances of our success.

There are precedents for the payment of compensation. In 1833, the West Indies owners of slaves were paid compensation when slavery was abolished. Similarly when the Bawi system was abolished in the Mizo Hills the owners of Bawis (bonded labour) were paid compensation. Morally there was no justification for the payment of compensation. But on grounds of expediency it was done. Even the Government of the USSR paid compensation. Big landholders fought against the Revolutionary Government and ran away leaving their properties behind when they were beaten back. A few years after the Revolution the USSR Government decided to pay compensation to all property owners. The Soviet Government were not compelled to pay compensation but they agreed to do so because they realised that it was a matter in which their honour and fair name were involved. They wanted to have an honourable place in the comity of nations. It was for this reason that the Soviet Government paid compensation for all the properties of the foreigners taken over by it. Similarly we have paid Privy Purses to the Princes whose properties were taken over by the Government of India. Morally there was no justification for the payment of compensation to the Princes but on grounds of expediency we had done that. In politics the best means is always the best possible and the statesmen who realise and practice this truth are virtuous. Nehru belonged to this class of statesmen and therefore advocated payment of compensation.

Nehru was aware of the fact that payment of full compensation was not desirable for obvious reasons. Firstly it could not be paid; secondly it would be improper and unjust to do that; thirdly it should not be done even if it can be done because if full compensation was paid the haves would remain haves and the have nots have nots. Therefore, Nehru ruled out full compensation.
Evolutionary Socialist Nehru: Two conclusions emerge from the above discussion. Firstly, the process of socialization would not be indiscriminate. Nehru believed that a wise country must proceed piecemeal and by stages so far as nationalization was concerned. Secondly, violence was completely eschewed. Nehru argued that it was just possible to destroy the existing system of property overnight as was done by the Estates general in 1780 in France and the Communist Revolution in Russia in 1917. Such Revolutions are not impossible. But they are costlier and are dubious adventures which may end in establishing fascist rule as in Italy. It may even destroy the whole fabric of civilization. Therefore, Nehru argued that such a catastrophe not desirable in the interest of social democracy. Like Sidney Webb and Eduard Bernstein, Nehru is a step by steper. "The kind of society I have in mind" said Nehru, "cannot come into existence in my life time. Obviously you cannot do it by magic. In no country can it be done by magic. It takes a long time". Perhaps Nehru thought that taxation was the best means for the realization of socialism. It was looked upon as one of the main methods for the elimination of inequalities. In fact the Taxation Enquiry Commission was charged with the task of enquiring and reporting on the possibility of framing a taxation policy which would be a powerful leveller.

Place of Violence: Are we to conclude from the above that violence is ruled out for all time to come and that economic changes can be brought about by peaceful methods? What Nehru says is significant. "Normally, if democracy is not functioning politically, there is no other way but to bring about these changes by some kind of pressure tactics, violence, or violent revolutions. But when there is some peaceful method available, and when there is adult franchise, the use of violence for changing the existing order is not only absurd but wholly wrong to many thinking people. Trying to change the society by violence, only means that a small number of people are trying to impose their will on a large number by violent methods having failed to change them by peaceful methods. That is not democracy. Here is the influence of Gandhi. The Mahatma said that by means of non-violence economic changes in society can be brought about. Capitalists exist because the proletariat exists. If the proletariat refuses to cooperate with the capitalists, the labour will not be able to amass wealth. Here is a significant difference between the
socialists and the communists on the one hand and Nehru on the other. The socialist thinking on the use of violence is somewhat vague. The communists are definite. Answering a question as to whether the party still clung to revolutionary methods, the General Secretary of the Communist Party of India said that peaceful methods were being tried but if they failed, violent methods would be adopted. As events in Telangana and elsewhere showed the Communist Party resorts to violence wherever it thinks it has some popular support. Thus, while the communists were for violent methods Nehru stood for peaceful methods.

**Marxism Vs Socialist Patternism:** From the above it must be clear that Nehru did not follow Marx, Lenin, Stalin or Mao. Marx said that the ends of the communists can be obtained only by a forceful overthrow of propertied classes. He insisted on the irreconcilable antagonism of labour and capital. He had no respect for vested interests. He was ready to sanction any step to achieve the goal, when conditions were propitious. At the same time, it must be said to the credit of Marx that assassination and incendiarism were not in his mind when he spoke of revolution and forcible overthrow of the capitalist system. But Lenin attached great importance to conspiracy, intrigue, incitation to disorder as a means for undermining the moral and material foundations of the existing order. Lenin spoke of science of violence. Stalin, the disciple of Lenin, had infinite belief in the use of violence. Here is an interesting episode to illustrate the fact. The Indian Ambassador in Moscow Dr. S. Radhakrishnan, explained to Stalin that Congress had decided to introduce land reforms and hoped to achieve this by peaceful methods. Stalin smiled and said "Is that so. Well go ahead but I do not think it can be done through peaceful means". Although Marx, Lenin, Stalin and Mao have a number of devout disciples in this country, Nehru was not one of them because Marx built his socialism on the basis of class war. Because of this, Marxism found no congenial soil for its growth in this country. The Indians, of all the people are least inclined to cherish malice and to feel present hatred on the memory of past grievances. Under the Mahatma's guidance independence was won by faith in non-violence. The peaceful assimilation of the Indian States in the Indian Union which is without a parallel in the history of mankind was a triumph of Gandhian technique. The Indo-British cordiality and the Indo-French Accord are
examples of non-violent and friendly settlement of problems. The Dan Movements have their springs in non-violent approach to human problems. Nehru was therefore firm and emphatic when he said that violence was an evil and must be eschewed. Violence according to Nehru would disrupt the country, debase the people and prevent progress. Therefore, Nehru said that there would not be any violent coercion of any interest or section for any purpose. Speaking figuratively Nehru said, "It is only an inexperienced swimmer who has to make all kinds of violent movements of hands and legs to keep afloat, whereas a skilled swimmer remains placid and inactive but he produces better results. Nehru feels that industrial changes have to be made peacefully, democratically and gradually.

Class War: Nehru admits that there is conflict of interests among the different sections of the people; the interests of the zamindars vs tenants, and the interests of industrialists vs the workers. But Nehru says that this conflict was not an irreconcilable conflict. There is friction and not conflict. How to solve this problem? The Socialists and the Communists contend that capitalism should be ended by force. Nehru said that this should be done by non-violence and by peaceful methods. The conflict between British Imperialism and Indian Nationalism and the conflict between Zamindars and tenants were solved by peaceful methods. Similarly, the conflict between capital and labour should be solved by peaceful methods. The Mahatma suggested non-violent non-cooperation on the part of labour. Capitalists exist because labour exists and cooperates with capital. If the labour non-cooperates capitalism ceases to exist. Nehru agrees with the Mahatma.

Thus the dominating ideology of Nehru was socialism with a new look. Marxism has been completely discarded. Such cliches as the theory of labour value, the theory of surplus value, the theory of historical materialism, the theory of class war, the expropriation of the expropriated etc are not to be found in socialist philosophy of Nehru. The sacred tenets that the workers are a class chosen to fulfil the holy mission of bringing about the inevitable capitulation of capitalism was also discarded. The central theme of Nehru’s socialism resolves around five principles, economic planning, social ownership and or control, full employment, increase of production and democracy.
Socialism Vs Sarvodaya: It is argued that Nehru's Socialism is not in accordance with the principle of Sarvodaya which means the promotion of cottage industries, self-sufficiency and human relations based on moral understanding. It may be noted that there was no such thing as Sarvodaya school. After the death of the Mahatma, some of his close associates met at Sevagram and adopted the basic principles of the Mahatma as the means for reforming the society. They are for instance, simplicity, self-sufficiency and life based on moral principles. The three movements of Sarvodaya are bhoodan, sampattidan and shramadan. Nehru contended that the industrial policy of the Government of India did not offend the principles of sarvodaya. We do not agree with the contention of Nehru. Nehru's socialism lays emphasis on large scale production and legal enforcement of the policy. Where as Sarvodaya lays emphasis on small scale industry, village self-sufficiency and voluntary enforcement of the duties of man. It must, therefore, be admitted that Nehru's socialism comes in conflict with the principles of Sarvodaya.

We have so far considered the various aspects of Nehru's socialism. What were the measures taken to usher in a socialist society? These measures broadly speaking were of two kinds, long term and short term measures. The long term objectives were an increase in the material income, stable levels of employment, provision of certain minimum standards of service to all in the matter of education, health and housing and also economic and social justice. It should, however, be admitted that there might be conflict between the long term and short term objectives. But Nehru contended that the virtues of the two, short term and long term, were embodied in the Plan.

What were the economic measures taken by Nehru for the establishment of socialism? Foremost of them was the enactment of the Estates Duty Act. This Act aims at imposing an Estate Duty on property passing on the death of a person. The social justification of this measures is that it is one of the positive steps that should be taken in the direction of ending the existing inequalities in the distribution of wealth and thereby establish a more acceptable social order. There is no denying the fact that for breaking up of large fortunes and thus checking the growth of inherited property, death duties level down the disparities of wealth. It is one of the few progressive measures practi-
cable, consistent with mixed economy approach of the country. We may not expect miracles from this measure. But making the rates progressive, death duties may be utilised as an effective instrument for obtaining a more equitable distribution of wealth.

It may be criticised that the Estates Duty Act, instead of achieving the objectives it aims at, may destroy the economic structure. It was said that it would be a disincentive to capital formation and to investment in companies. Nehru argued that it would depend on the rates and in the exemption limit. Further these duties were levied in forty countries. The experience of these countries showed that the fiscal and psychological effects of the duties did not damage capital formation. They did not curb inactive and private enterprise to any marked extent. Viewed particularly the Joint Stock companies which are the dominating feature of the economy of the highly commercial and industrial countries were not affected by death duties. Further, the character of investment changed. It is not the capitalists that is investing his accumulated wealth but the middle classes who are not affected by death duties. The Death Duties did not affect the Joint Hindu families.

Again, Death Duties were suggested by Kautilya impliedly. He says "Just as fruits are gathered from a garden as often as they become ripe, so revenue shall be collected as often as it is necessary." Professor Pigou in his Economics of Welfare says, that since the Death Duties, do not as a rule hit savings till some years after they are made, their repressive effect need not be very great. Carnegie says, "To the class whose ambition it is to leave great fortunes and to be talked about after death, it will be even more attractive and indeed somewhat a noble ambition to have enormous sums paid over to the state from their fortunes."

The second step taken in this direction was the amendment of Article 31 of the Constitution. This Article guaranteed private property. The Article said that no one shall be deprived of his property except by the authority of law. If there was to be any acquisition or requisition of property it should be taken only for public purposes and full compensation should be paid for the property taken. But the amendment said that payment of compensation is not only discretionary
but also non-justiciable. Thus, the Amendment struck at the very root of constitutional protection of private property. Further, the Government is endowed with the power to take over the management of property for a temporary period, to transfer any undertaking wholly or partly from one company to another. All these measures are intended to further socialism in the country.

The third step taken in this direction was not only to increase the income tax rates but also to provide relief from income tax to married assesses and at the same time subjecting the bachelors to heavy income tax. The fourth step taken in this direction was the establishment of Financial Corporations for the development of industry. They were the National Industrial Development Corporation and Industrial Credit and Investment Corporation. These corporations were intended to develop the development of the industrialization of the country and thereby promote socialism.

The fifth measure taken in this direction was the provision of banking facilities in the rural areas. For this purpose the Imperial Bank of India with Rs. 231.40 Crores deposit was nationalised. The State Bank of India was enjoined to establish 400 branches. The State Bank of India is intended to release the rural folk from the clutches of the money lenders and the middle men.

The sixth measure was that attention was bestowed on the development of small scale industries. Direct subsidies were given to certain Village and Cottage industries. For this purpose small industries corporation was set up to give financial and technical assistance to these industries. For this purpose a number of bodies have been set up.

The seventh step taken in this direction was the abolition of the Zamindari system. Here we think Nehru did not go to the logical end. He stopped with the abolition of the zamindari system and the ceiling on landed property. He should have gone further and abolished landed property, particularly the agricultural land. Land is a unique kind of property. It cannot be increased or decreased. Therefore, land ownership should be vested in the State. There is no other alternative to this if real socialism is to be established on firm foundation. Ceiling on land which Nehru advocated is beset with a number of difficulties.
The eighth step taken in this direction was the abolition of untouchability, the establishment of the Scheduled Castes and the Scheduled Tribes Commission, and the reservation of seats in the services and professional institutions.

The ninth step taken in this direction was the provision of social security to the workers like the Minimum Wages Act, Employees State Insurance, Coal Mines Provident Fund, Bonus Scheme and so on.

Overview: Critics of Nehru's socialism have pointed out certain defects in it. Acharya Vinobha Bhave said that Nehru's new policy was vague because it did not specify the period within which the new order would be established. This criticism was not valid. Nehru himself said, time and again, that the society of the kind he had in mind would not be brought into existence during his life time. Probably he thought that the realization of the ends in view depended upon several factors over which he had no control. Naturally, therefore, he did not fix up the time limit within which the socialist pattern of society would be established.

The Socialists and the Communists consider this policy as a hoax designed to fool the electorate at the general elections. The various measures already taken belie this assertion. The second criticism is that the Government of India did not accept some of the recommendations of the Taxation Enquiry Commission, the levying of an annual tax on the total wealth at a low rate as the best means of reducing inequalities and a ceiling on income. The third criticism is that India could be a welfare state without being socialistic. Britain and the United States are welfare state without being socialistic and are getting along very well. Nehru replied that India's would be a socialistic pattern of society and not a socialiss state. It is distinct from the Marxist-Leninist conception of socialism.

In 1957 Article 1 of the Congress Constitution was amended and the word socialist before the words Cooperative Commonwealth was added. Nehru said, 'The question before us is now to combine democracy with Socialism through peaceful and legitimate measures". In 1964, at Bhubaneswar this objective was dealt with in great detail and the Congress ideology was summed up as Democratic Socialism, based on democracy, dignity of the individual and social justice.
Nehru enumerated the salient features of democratic socialism. First, the Public Sector must play a strategic and predominant role in the field of industry. The Public sector must grow progressively in large scale industry and Trade particularly in the field of heavy and basic industry as well as Trade in essential commodities.

Second the private sector has an important role in the economy of the country and it will have to play its part within the broad strategy of the National Plan. In the Private sector the cooperative method of organization would occupy an increasingly important place, especially in the field of agriculture, small scale industry and retail trade.

Third the workers should be associated in the management of industry in a substantial way. This will enable the worker to feel a sense of participation in industry and to achieve maximum production.

Nehru also said that socialism did not merely imply change in the economic relations in society. It involves fundamental changes in the social structure, in the ways of thinking and in the ways of living. Caste and class would have no place in a socialist state. Mere material prosperity alone would not make life rich and meaningful. Along with economic development, ethical and spiritual values should be fostered. Then alone there would be full development of the individual. When this takes place, the present day acquisitive society would be replaced by a socialist one.

Immediately after the Bhubaneswar Congress Nehru died.