

*The following excerpt is taken from a report in the 'Mail', Madras, dated Oct. 24, 1956, with the kind permission of the editor.*

## EFFICIENCY "NOT POSSIBLE" IN PUBLIC UNDERTAKING

by Mr. ANANTHARAMAKRISHNAN and Dr. C. P. RAMASWAMY AYYAR

TWO prominent persons of South India, Dr. C. P. Ramaswamy Ayyar, an administrator, and Mr. S. Anantharamakrishnan, an industrialist, yesterday pleaded for positive encouragement and more freedom to the private sector for speedy industrialisation of the country.

Dr. C. P. Ramaswamy Ayyar said that from his experience he could say that every thing the State started tended to slacken efficiency bit by bit. It was not so with private sector, and the reverse was true in this case. Private sector was the best to produce excellent results. There should be a clear and definite enunciation of the Government's policy as to the scope of private sector, so that it could do its very best without any misgivings. It must also be remembered that private sector had never forsaken the country.

Mr. Anantharamakrishnan and Dr. Ramaswamy Ayyar made these observations when they participated in the 15th anniversary celebrations of the Sri Rama Vilas Service here yesterday.

Mr. Anantharamakrishnan said this was a workers' festival and showed 15 years of

good work. This was an eloquent testimony to what private management could achieve in such a short period. The future historian would record this period in India as an age of liquidation. Maharajas and Rajas were liquidated at first, then came the zemindars, and now the landowners. Commerce and industry were also not left out. People did not realise adequately what was happening.

It could be easily asked what the private sector had done, but it should be borne in mind that even today 95 per cent of the country's economic activity was in private sector. They had been doing very valuable service and without them the whole economic system would have been paralysed. To stigmatise private sector was not proper and more so, a positive disservice to the country. The Government should give all opportunity to expand private sector in the best interests of the nation. After all, service could be done in many ways according to the genius of the people, and also it might have many forms. The great part played by private sector in building up the country's economy on strong and enduring foundation should have to be recognised by the Government,

and more should come into the field.

It should be clearly understood also that the cream of profits in private sector went to the Government in one form or another. There were innumerable other factors, like labour laws and various other things governing the operation of private sector. Practically, the Government could not get anything by taking over of management of any concern, except public criticism in and out of Parliament. He did not know why they were anxious for this unenviable position.

Mr. Anantharamakrishnan said that it was a notorious fact that public sector was quite inefficient from whatever standard it could be judged. Further, private sector could do very very useful services in much shorter time when compared with a public sector. In 20 or 25 years the map of the country would be placed foremost in the industrial sphere if private sector was allowed to function in an atmosphere of helpfulness and freedom of action.

He was sure the Government could not produce such results as what a private sector could do in any department of commercial and industrial activity. Labour laws were coming in plethora and there must be a slowing down in this direction. The speed of legislation was so lightning that even lawyers were not able to grasp the essentials and have a clear understanding of the position.

There were 30,000 companies existing in the country. There might be some black sheep no doubt. Which organization, he asked was free from this black spot? Were there not black-sheep in the Congress party? Because of their existence was it that the party itself should be dissolved or liquidated? All should not be tarred with the same brush, because there were unsocial black sheep here and there, he added.

Mr. Anantharamakrishnan said that nationalisation was not a remedy for their country. They had not developed that spirit of service which they saw in some countries in the West. In 10 or 20 years they might be better. But at the moment wholesale nationalisation would not help them the least. The idea of nationalisation should be given rest for 2 years. (Cheers).

Dr. C. P. Ramaswamy Ayyar said that his personal experience of over 30 years of State and private enterprise had given him sufficient insight into the workings of both. Even today, there were certain public utility concerns in which by the very nature of their complexion, private sector could not do anything at all. There was no point of efficiency or otherwise in concerns where the State alone could operate.

Dr. Ramaswamy Ayyar said the success of the Five-Year Plan mainly depended upon an efficient system of transport. State enterprise could do a lot in solving the transport pro-

blem of India by taking advantage of the rivers. The linking of the Ganges with the Cauvery and Tambraparani, and the utilisation of the waters of the Godavari were now talked of and this was a good augury for the future. State wide centralisation was necessary for introducing a net-work of waterways.

He could say from his own experience also that every thing that the State started tended to slacken in efficiency bit by bit. But it was not so with the private sector and the reverse was true in this case. Apart from State utility concerns private sector was the best to produce excellent results. There should be a clean and definite enunciation of Government's policy as to the scope of private sector so that it could do its very best without any misgivings whatsoever. It must also be remembered that private sector had never forsaken the country.

The Government should indicate a kind of general idea in the Second Five-Year Plan as to what all subjects could be

profitably run by private sector. There was a big gap in the Plan between the resources necessary for implementation and the available resources.

He would submit that in order to supplement to the extent possible the implementation of the Second Plan, transport might be given free scope under private sector. The private sector should not be kept in a state of suspended animation. There was need also for enlisting cooperation of foreign capital.

He would suggest that the private sector should be allowed to play its part during the Second Plan within a well-defined sphere, and if it had not achieved good results that would be then a valid argument against it. Now they had their railways nationalised. Could they say that nationalised railways were so efficiently run here as compared with railways in other countries. It was true that they had done a lot but more they had to do. Let them do things well for those already undertaken.

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*With best compliments from :*

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