

**Annual Report and Accounts (1971-72) of
the National Small Industries
Corporation Limited and Related Papers**

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT (SHRI Z. R. ANSARI): Sir, I beg to lay on the Table under sub-section (I) of section 619A of the Companies Act, 1956, a copy each (in English and Hindi) of the following papers:—

li) Seventeenth Annual Report and Accounts of the National Small Industries Corporation Limited, for the year 1971-72 together with the Auditors' Report on the Accounts and the comments of the Comptroller and Auditor General of India thereon.

lii) Review by Government on the working of the Corporation. [Placed in Library. See No. LT-5259/73 for (i) and lii)]

**The unlawful activities (Prevention)
Amendments Rules, 1973**

THE DEPUTY MINISTER IN THE MINISTRY OF HOME AFFAIRS (SHRI F. H. MOHSIN): Sir, I beg to lay on the Table under sub-section (3) of section 21 of the Unlawful Activities (Prevention) Act, 1967, a copy (in English and Hindi) of the Ministry of Home Affairs Notification S.O. No. 346 (E), dated the 21st June, 1973, publishing the unlawful Activities (Prevention) Amendment Rules, 1973. [Placed in Library. See No. LT-5257/73]

**The Indian Telegraph (First Amendment)
Rules, 1973**

THE DEPUTY MINISTER IN THE MINISTRY OF COMMUNICATIONS (SHRI JAGANNATH PAHADIA): Sir, I beg to lay on the Table, under sub-section (5) of section 7 of the Indian Telegraph Act, 1885, a copy (in English and Hindi) of the Ministry of Communications (Posts and Telegraphs Board) Notification G.S.R. No. 49S, dated the 30th April, 1973, publishing the Indian Telegraph (First Amendment) Rules, 1973 [Placed in Library. See No. LT-5258/73]

**REPORTS OF THE COMMITTEE ON
THE WELFARE OF SCHEDULED
CASTES AND SCHEDULED
TRIBES**

SHRI BALRAM DAS (Madhya Pradesh): Sir, I beg to lay on the Table a copy each of the following Reports:—

(i) Report of Study Tour of Study Group II of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes to Madras, Visakhapatnam, Bhubaneswar, Kharagpur, Midnapur and Calcutta during June-July, 1972;

iii) Report *i.i*(Study Tour of Study Group I of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes to Kanpur and certain areas in Madhya Pradesh during October, 1972: and

(iii) Report of Study Tour of Study Group If of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes to Bombay, Nagpur and Bhopal during February, 1973.

STATEMENT RE REPLY TO A SUPPLEMENTARY TO STARRED QUESTION NO. 323 GIVEN IN THE RAJYA SABHA ON THE 16TH MAY, 1973.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND IN THE DEPARTMENT OF PERSONNEL (SHRI RAM NIWAS MIRDHA): Sir, I beg to lay on the Table a statement in connection with reply to a supplementary to Starred Question No. 323 given in the Rajya Sabha on the 16th May, 1973. [Placed in Library. See No. LT-5425/73]

**MOTION RE APPROVAL TO THE
FIFTH FIVE YEAR PLAN 1974—
79— Contd.**

[Mr. Deputy Chairman in the Chair.]

SHRI V. B. RAJU (Andhra Pradesh): Mr. Deputy Chairman, Sir, the objective of the Fifth Plan is stated to be removal of poverty and attainment of economic self-reliance. But the objective of the Fourth Plan is growth with Stability

-it is the main aim of the Fourth Plan. Experience of recent years has emphasised the importance of mounting relative

[Shri V. B. Raju] stability. Mr. Deputy Chairman, Sir, from the concept of "Growth with Stability" we have advanced to 'Social Justice and self-reliance'. That seems to be the progress.

Sir, in the preparation of every Plan six factors come into discussion—the objective, the policies, the assumptions, the priorities, the programmes and the strategy. Now, we will have to make a review of the achievements of the Fourth Plan before we can assume anything. There may not be much of controversy or difference of opinion on objectives as such and, broadly, policies also and, to an extent, on the fixation of priorities and programmes. But, Sir, the difficulty comes on the question of assumption.

Sir, it is assumed that the economy has reached a stage of maturity when a direct attack on poverty, unemployment and under-employment can be mounted without risk of inadequate growth; and full employment is feasible without risk of full growth. Sir, this is assumed that we have reached a particular stage when we can afford to make a direct attack on poverty: of course, taking care to see that the growth does not suffer.

But we have got to take into consideration what has been the performance in the Fourth Plan period. It is stated in the document:

"The actual performance of the economy in the Fourth Plan period in respect of the rate of growth of domestic production shows a substantial shortfall. The current anticipations about the average rate of growth during the Fourth Plan period will be well below 5 per cent."

Sir, the planners admit that in the Fourth Plan what we had assumed or what we had planned for, we could not achieve. There is a substantial shortfall. And what is that shortfall? Let us have a perspective of the growth. In the first decade, *i.e.* from 1951 to 1960, the growth achieved is only 3.8 per cent. In the second decade, *i.e.* 1961 to 1970, it is only 3.7 per cent. Obviously against a high rate of growth of population, this rate of growth of the

economy could not bring about the required improvement in the living standards of the population. This is a significant thing. The rate of growth has been slow. Then suddenly we found that from the date of placing of this document before the House and now, a new situation has developed. In fact, it would have been useful to this House if an amended document had been presented here. Even the Planning Minister in one of his statements has admitted—this was on the 12th June, 1973:

"I would be failing in my duty if I do not make it clear that there will be an element of erosion of the dreams that we had envisaged in the Fifth Plan."

The Planning Minister himself recognises the fact that there has been a change in the situation and that the real size of the Plan or the investment in the Plan has got to be re-examined. Sir, if you now take what has been planned for in monetary terms, *i.e.* about Rs. 52,000 crores including current outlay, and compare it with the assumptions before February and now, I might venture to observe that the erosion will be to the extent of 25 per cent. The physical targets may go down by 25 per cent if the same quantum of money is to be invested. Now this is a new situation and I would have been happy if the Planning Minister had taken the trouble of presenting another document which I might call a Short Plan document, in fact, this Five-Year Plan could have been split up into two Plans, that is to say, one dealing with items which need to be attended immediately and the other with items or projects or schemes or whatever we have in mind which could be completed within the five-year period. Sir, I would suggest even at this moment, before the plan is finalised, that the Planning Minister should take the trouble of preparing what we may call an "Emergency Plan" and the "Emergency Plan" might consist of items which might give greater production in sectors where we have considerable shortages, particularly in food-grains and in essential raw materials for industry. Sir, after having observed that we are discussing on a bit of "imaginary document", I would put it like this, that a document which is not nearly final in its shape and which needs a lot of amending, I would go to the main problems or the

main ingredients of the Plan, which the Planning Commission has in mind to emphasise.

The whole Plan depends upon two things. It is reducing the population or effecting *such* measures or introducing such measures by which population growth would be slowed down and production increased. These are the two strategies that are sought to be employed in trying to achieve the objective of minimising misery and poverty of the masses. Much has not been said in this House about population planning. I would say that this is an age of population explosion; we are passing through such times. Without going into or becoming victims of the economic jargon, we should put in layman's terms that these two objectives are to be achieved. Increased production, as a matter of fact, is not a new thing; that is being talked about from the inception. But what are the constraints in the production sphere? I am afraid, in the development of industry in this country, we try to depend upon a technology which is foreign. And mostly our industrial pattern has been so shaped that foreign technology forms actually as the base. Even the manufactured tools for the workmen are so complicated that unless these people are trained in skills, they cannot handle those instruments and tools. Our planners have not bestowed attention on this particular point taking note of the skills available in this country for the full employment of man-power, what types of tools will be useful. So to say, we have taken modernisation as westernisation, even in our cultural life, in our economic life; and to an extent, in the building up of our political institutions. Now, what is indigenous? What suits our genius? This aspect has not been considered well. We have become dependent on the developed countries, particularly on the Western countries, for the industrial production and for the growth of employment by employing their techniques and their technology. To an extent, we have subordinated ourselves. Now we say that we must have self-reliance. We can understand self-reliance as economic independence. That is true. But we have got so badly involved in the pattern of production, I should say, even in the agricultural techniques, that what we are employing is not indigenous. That is why, I

am now suggesting that the Planning Commission should emphasise on this point: What indigenous technology, even at this late hour, could be injected into our industrial and agricultural production? I would warn at this moment that over-mechanisation or undue mechanisation or unnecessary mechanisation in the agricultural sector will be detrimental not only to the economy but to the rural population also as such. Therefore, we have got to carefully see that the techniques that we are employing are not, or the technology that we are living to introduce is not, out of tune with the skills and with the capacity of the population as a whole. Our objectives are self-reliance and direct attack on poverty, that is, attainment of social justice. When you say self-reliance, you call it economic independence. The Planning Commission has stated that the net aid will be zero by the end of the Plan period. This is what I understand. This is the first Plan which will have to be implemented entirely with our own resources, that is, without external aid. The position of external balances of payment will be a very difficult one. If we adopt this policy, our exports must pay for the imports. I am not sure with the present commitment, namely, nearly Rs. 2,500 crores of indebtedness or what you call commitment for repayment of debts on Government account, Rs. 300 crores on private account and Rs. 200 crores on account of our commitment to some other countries as external aid, whether there will be anything left in the gross external aid. These three items take away the estimated gross aid of Rs. 3,000 crores which we expect in the Five Year Plan period from outside countries. Therefore, there is nothing left as external aid for us. Therefore, our balance of payments position will be very difficult. It is all right to say that we have to get on without external aid. But, what is desirable is one thing, and what is possible is quite another. What is possible also is an important thing. Receiving external aid is not a crime. It is not wrong. The whole economy of the world is mutually interdependent. In fact, we have developed certain attitudes which, in my personal opinion, are not correct. In our country we have developed an attitude that import of food-grains is a loss to our prestige. But I would submit to the House, take a country

[SHRI V. B. Raju] like Japan. Its Soyabean requirement entirely depends on imports. It is their staple food. There is nothing wrong in it. But the question is Japan might be in a position to afford to pay for it in foreign exchange which we are unable to do. The only thing is our incapacity to pay might halt us. But intrinsically it is not wrong. Import of food is not all wrong—Even communist countries are importing. So this import of food or receiving external aid should not attract ideological considerations, in my opinion. Purely economic considerations must weigh. We cannot build walls around us and isolate ourselves. In fact, I would very much like external trade to replace monetary aid. But it is also true that we are not in a position to compete in the world market. We have our own handicaps here. Even though we have cheap labour, yet the cost of our production is high. I do not want to go into those details now. I only want to say that it is all right to commit oneself to the attitude of zero net aid. But we will have to see how we balance our payments also and whether our exports can meet our imports. Three items particularly in the next Five Year Plan period are going to worry us. One is foodgrains. This is not a passing phase. If anybody tries to give us a picture that this shortage of foodgrains is a passing phase, I am not going to believe it. Sir, in a growing economy and that too with a backlog of poverty, as development takes place, there will be propensity for consumption. There will be increasing tendency to consume more. Till now we were having only starving stomachs—Naturally with development taking place the tendency will be to eat more. And our urban population is growing and naturally requirement of food will be more. We may have to import to meet these requirements. If it is not cereals, it may be pulses. It is not merely cereal which actually constitutes the component of food-stuff. We may have to import edible oil. This is one item for which we have to find external resources.

The second item is petroleum or crude oil. Our planning is only for less than 8 million tonnes of crude. We may require 40 million tonnes. And three-fourths of the crude oil that we require may have to be imported. You know what is happening with regard to the price increase of crude

and what our bills are and how much we are paying, I am sorry to say one thing. We think of rationing foodgrains because they are in short supply. It is good and we should do it. We say that there is no foreign exchange available for this. But we provide foreign exchange for importing petroleum products and crude oil and we allow gasoline to be used in a reckless way and in a luxurious way. Has it ever been thought that we should ration gasoline? If any exercise is made in the Planning Commission on this, it should be to bring about some control in the use of gasoline even in Government account. How many vehicles are being used by Government agencies and what is the consumption of petroleum products by these vehicles? Is there any control over it? Is there any rationing of it? And we provide foreign exchange for importing it—If any item has to be rationed in this country and if any non-productive use of this item has to be curtailed to start with, it should be petrol. Over-consumption of this item which is in short supply has to be reduced. This has got to be taken into consideration by the Planning Commission seriously. They have to realise how our resources are getting wasted.

I will say one thing more on the question of self-reliance. When you say that you will have zero net aid and you are not going to depend on foreign resources, I feel you have to examine this statement thoroughly. I am not saying that you should go about with a begging bowl. But once you make a commitment and make a statement on the basis of that commitment, it should be enduring. I do not want the Government to make *ad hoc* statement. When it was said sometime back that we have a Green Revolution and we have turned the table, some of us remarked that it was not a Green Revolution. The Green Revolution was only in respect of wheat and that was because of the Mexican seed. We have not had any break-through in regard to rice or millets or pulses. We had warned the Agricultural Ministry at that time because they were even thinking in terms of exporting foodgrains. The whole trouble is that we are too emotional and we do not keep our emotions under control, either in depression or in affluence. I have been laying emphasis on two aspects which have caused much of our confusion. One

instance was taking away the food control in 1955-56. The second instance was the three-year period, the holiday period for the Plan, when during the two years of this period, 1966-67 and 1967-68, we had to give up development when there was recession, when there was drought and when there was a Plan holiday. Sir, these two years were important years, because, if you look back and if you turn the pages of history, you will see that these two years have been the dark years of our economic life. Even if we have to /ace privation and even if there are difficulties, Sir, we must have the stamina to overcome them and to bear the difficulties. We should not be wavering. The same thing is happening in the case of the foodgrains trade take over. We took over the foodgrains trade and we have demolished the institution of private wholesale trade. That is good. But, Sir, within one month we have seen statements coming that the procurement programme has failed. Sir, when you begin to make a march, in the first mile, you may have some sort of enthusiasm to run, in the second mile you may have a hurdle and if you cross it, in the third mile you may find it easy.

Sir, I saw a statement, which was happily contradicted, that they were having second thoughts on taking over the wholesale trade in rice. Sir, these are all statements of policy by the Government... (*Time bell rings*) Sir, I have taken some time. Just give me three or four minutes more and I will finish.

Sir, while trying to eradicate poverty, we must take into account the rate of growth of the domestic product and the rate of growth of population. We must find the resources for increasing production. Now, how are we planning to get the needed resources? As I said earlier, it is all domestic resources that we are going to get and no external resources are available. When you want to meet your needs from out of the domestic resources, what is the actual position? Where are they available from? My own assessment, Sir, is that the domestic resources will be available only from the household savings. Sir, the corporate sector savings are negligible; the co-operative sector savings are negligible; and, Sir, there are no other savings. Sir, purely on household savings the Government is depending

and the household savings are fortunately going into the banks in the form of bank deposits which the Government is taking. Now, Sir, these household savings will become more difficult in the future and I should like to submit that this inflation, the current increase in prices, is going to affect the domestic savings. Therefore, enemy number one today to the planners and to planning as well is the present inflation.

SHRI PRITHWI NATH (Uttar Pradesh):
What is it?

SHRT V. B. RAJU: Inflation, raise in prices. Unless a plan is prepared now by the Ministry, as I said in the beginning, to fight this inflation and to bring the situation to normalcy and then you go ahead with your objectives, you may not reach the destination. Therefore, Sir, I would say, at the risk of repetition, that for fighting this inflation, you must curb unproductive expenditure. Of course, there are many reasons for inflation and I would only say one word about it and then go to the next point.

This unproductive expenditure by the Government was. in 1962-63, Rs. 1,437 crores. It is unproductive or non-productive expenditure by the Government. Now, Sir, in 1972-73, it has gone up to Rs. 4,224 crores. In a period of ten years it went up to nearly three times! Then, another indicator is the money circulation. Money circulation in four years, that is from 1969 to 1973. went up by 80%,! And, Sir, you know what has been added to the circulation of money in these four years is Rs. 4,000 crores. This is the magnitude of increase in the money supply.

Sir, charity must begin at home. If you have to apply curbs on unproductive expenditure, and conspicuous consumption, it should start with the Government first. Sir. I would have been happy if the Finance Minister and the other Ministers, who are in charge of production like agriculture. industry, were present here, and we would have had an opportunity to exchange and share thoughts. But that opportunity is not available to us. Sir. this has become a ritual. Our speeches and all this have become very formal, for the purpose of recording and for correction later on by us

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI MOHAN DHARIA). I can assure my hon. friend that it will not be formal.....

SHRI V. B. RAJU: Anyway. Can this Government declare that immediately in the present year, or at least in the first year of the Plan, there will be a 10 per cent cut on non-productive expenditure?

AN HON MEMBER: Why only 10 per cent?

SHRI V. B. RAJU: You should not be unrealistic. Can they say so? Is it possible for them? And when once they could do it, they would have the moral courage to tell the public; In your inessential consumption you bring down 10 per cent...

(Time bell rings)

MR. DEPUTY CHAIRMAN: You will have to wind up.

SHRI V. B. RAJU: I am winding up...

MR. DEPUTY CHAIRMAN: There is a long list of speakers.

SHRI V. B. RAJU: I have said about inflation. I have said about savings. I have said about population. As I said, if an opportunity is given to us to discuss again a short-range plan, that is to say, an emergency plan, to meet the present abnormal situation, I think we will be able to help the Government. Let me say one word and sit down. We are short of food supply, and we are short of rice. The other day also, while speaking on the Andhra budget. I mentioned about it. With Rs. 191 crores, we have been able to bring one million acres of land under irrigation under Nagarjunasagar. Sir, with another Rs. 65 crores, we can get another one million acres. And in the next year, if the Minister can give Rs. 6 crores, we will give 90,000 acres. But no such help is coming forward. I do not blame the Planning Minister. The Planning Minister is not in the picture. Once the plan is finalized, it is the other Ministers who are in the picture. Therefore, how can the food production be increased within the next two years? I want a barter plan, Sir. From Andhra Pradesh, I can assure the

Minister that we will enter into a deal with the Centre. How much rice does the Centre actually want from Andhra Pradesh? And, in return, what can the Centre give to Andhra Pradesh? Only you give us money and fertilizers. Let us enter into a barter deal. Let there be a firm commitment. My request to the Planning Minister and the Planning Commission is that, since the States are the agencies to implement, let there be a firm commitment on the part of the Centre for financing the requirements.

MR. DEPUTY CHAIRMAN: Mr. Inkshmana Gowda. You will take only ten minutes, because we have a long list of speakers and we have to finish this debate today. The Minister will be called at 5 o'clock or so. So we will have to adjust the time.

SHRI U. K. LAKSHMANA GOWDA (Mysore): Within 10 minutes available, I will have to complete the ritual, as already stated by my friend Mr. Raju. Within ten minutes I have to speak on this tremendous Plan with an investment of Rs. 52,000 crores. I have to speak on that.

Sir, I would like to share the apprehensions which were expressed yesterday, particularly by my friend Mr. Chandra Shekhar and some other hon. Members from this side, about the enormous inflation and rise in the cost of living index, which is certainly going to erode the very prospect of the Plan. However, Sir, the Planning Minister, when he made his statement here the day before yesterday, did say that he was aware of the inadequacies of the earlier Plans and he thought that he would be able to make amends for these in the next Plan.

Sir, in order to finish in time, I will go straight into some of the important items. The first thing is about the growth. Sir, it is a pity that the growth rate has been scaled down from the earlier approach to 5.5 per cent. I find, Sir, this has been deliberately done with an idea of self-reliance, and also because the Planning Commission had a feeling that in the earlier years when a higher rate of growth was targeted, the benefits went in to a particular sector of the community, the upper sector of the community. In order

to reduce that and in order to see that minimum needs will be provided within the means, they have brought it down to 5.5 per cent. My objection is that to whom this benefit goes should not be the criterion because that has to be corrected by other structural and social measures and not by restricting the growth rate. If the target is reduced, then it means that the Minimum Needs Programme will have to be pushed back. I do not know whether we will have to do it in the Plan period of five years or whether we will have to push it back to 6 or 7 years. My suggestion is that you have to look in terms of higher rate of growth. You look at the agricultural sector. The growth rate which has been visualised is 5.2 annually, *it*, 22% for Plan period. For clothing and two or three other main items of consumption for the common man, the growth rate of 5.7% annually which comes to 27% for Plan period is too low. The capital and output ratio is 3:141 at present. If it can be reduced keeping the investments as such and if structural adjustments are made for diverting the investments, I am sure that you can raise the growth rate to 6% or more in agriculture and nearly 10% in industry which will give nearly 7% overall growth rate. It would be definitely better to provide and meet the consumption needs of the common people within the targeted period rather than trying to scale it down and adjust it by reducing the consumption of the 30% of the top people and trying to give a marginal increase to the 30% of the low income group. This is one matter I would like my friend to look into. In other words, we are trying to reduce the absolute level of poverty not by a higher rate of growth but by redistribution methods. This is one point which the Planning Commission should seriously reconsider.

My friend, Mr. Raju, has already mentioned about the growth rate in population. Looking at the figures we find that according to the Document itself, the growth rate per thousand population in 1951-61 rose upto 21%. After that it rose to 24.8%. This will definitely offset the growth which has been fixed at 5.5%. Therefore, we will have to look into the minimum Needs Programme with particular reference to family planning. Sir, in the National Programme for Minimum Needs for health and nutrition and also

for family planning, you have suggested 8 to 10 sub-centres, each serving a population of 10,000. I feel that this is too low. I mean that you should have more sub-centres. One sub-centre for 10,000 people will not be workable. If you have to bring down the population particularly in the rural areas, then it will have to be tackled on a war footing. You should have sub-centres each for 4000 to 5000 people in this Plan itself. Otherwise, it will not give you the targeted result and any growth which is achieved by this marginal 5.5% will be offset by the growth in population. This gives an indication of what has been done in the field of family planning. I have the latest figures. There are 1952 urban family planning centres and 5182 rural family planning centres in the country now for the entire population. What we have achieved is: I.U.C.D. from 1965 to December, 72—1,500,000. So far as sterilisations are concerned, there have been 13,137,000 sterilisations from 1956, to December, 72. This is totally inadequate and we will not be able to provide the minimum needs to the agricultural people without tackling them on war footing.

Sir, so far as the agriculture sector itself is concerned, I am really constrained to remark that in one sentence Mr. Dharia has stated here in the Approach Paper that at the present pace of industrialisation, any transfer of the labour force from agriculture to industrial sectors is ruled out. But, take the United States for example. There the population depending on agriculture has been brought down and that is about 6% of the population now. And they are producing so much of foodgrains that this surplus grains are supplied even to the communist countries. Here two-thirds of the people are in agriculture and you have not made any approach to siphon off the surplus population to other sectors and all that you are going to do is to have some land reform measures, particularly distribution of surplus land which is going to be given not to people who already hold land less than a ceiling limit but to the landless agricultural labourers to make up small uneconomic units. You are creating under-employment where unemployment is existing because, when the distribution takes place in 2, 3 or 4 acres or even 10 acres

[Shri U.K. Lakshmana Gowda] in places like where I come from—rain-fed areas—may be given, and even 10 acres in such areas is uneconomic. You cannot expect a family of five to live on an income which you originally thought was Rs. 3,600—annual net income for a family of five as originally visualised for fixing ceiling—because it has been eroded by the fall of the rupee to 0.37 paise. You must see that you are at least able to secure the minimum needs to them. This is a matter which has to be looked into.

We find from Approach Document you intend that subsidiary industries and vocations will be found. But, Sir, what has been happening in practice? I think last month or the month before, there was a meeting called by the hon. Minister for Planning and then he said that there can be village level committees and others in order to implement new schemes and also to expedite the land reform measures. But if you look at what had happened earlier. Raj Committees which were formed and you will find that most of these things take a political pattern as the Panchayat which never aided any village development; they only indulged in politics. You will have to take particular care of these aspects.

Another thing—that is a very important matter—is that the landless labourers in the agricultural sector today are turning out in very large numbers. Unless both the Central and State Governments come out with employment-oriented schemes—employment generating schemes—as quickly as possible there is no way out because on the one hand by land reforms unemployment is being only converted to under-employment and on the other hand the number of rural job-seekers is increasing. This is a vital matter. Till today I have not the haziest idea of what such employment generating rural schemes you have in view. What were the schemes in the Fourth Plan and what they achieved? We will have to seriously think about this.

There have been a lot of theories coming out with regard to agroindustries but the task of selecting any one of them till now seems to have evaded everybody: I am sneaking about the results achieved during the last two years through the crash programmes and other schemes. This is a

matter which you will have to look into very carefully and try to siphon off some of the surplus rural population elsewhere and provide agro-based industries. Those schemes you have to think of and they must be implemented properly and quickly.

My friend Mr. Prithwi Nath mentioned yesterday, that for two-thirds of the population, out of the entire public sector resources of Rs. 34,000 crores you are allotting only Rs. 5,600 crores, and I agree with him that it is very inadequate.

Then with regard to investment and production pattern, every time I hear that with the growth of technology the smallness of the farm does not matter. But we cannot bring it down to a ridiculous minimum. It is true that in Japan and other countries they have prosperous small farms. But what is the minimum? It should be an economic unit; otherwise all this high production in small holdings will remain in theory but not in practice.

So far as mechanised farming is concerned, Sir, when the farms are becoming smaller as a result of land reforms I find more and more factories are being set up for big tractors. How is it in line with your proposals here? You should have smaller units like power tillers etc. You will have to reduce your dependence on animals and to some extent you must have mechanised farming with small mechanical units. That is another matter which has to be looked into.

Then I come to agricultural lands in rain-fed areas which, as was rightly said, need special attention through dry farming and so on. Then in the hill areas and the backward areas the possibility of growing commercial crops should be looked into and attention should be focussed on that. That is a labour intensive sector and also a foreign exchange earner. Plantations can be concentrated in hilly areas and there is vast scope for improvement in this regard. So far as hilly areas are concerned you can go in a big way for expansion of tea and coffee production. Even though coffee with world overproduction today is facing a lot of difficulty, there is vast scope for expansion of internal consumption especially in north India and that should be exploited. Special development schemes must be kept ready for tea and coffee in the higher ranges of hillsides and cocoa and

rubber can be taken up in lower elevations. Cocoa is very much in short supply in the country while rubber is in short supply all over the world and even in the rubber producing countries like Malaysia they are increasing the production of natural rubber *but* here we are trying to bring in synthetic rubber. Already we have two synthetic rubber factories. I would earnestly request you to concentrate more on the expansion of natural rubber production. It will provide more employment; it is a labour intensive sector and this will help you in your attaining a high growth rate in the Plan.

Before I close I must say something about the procurement prices which was referred to by my friend also yesterday. You have said that all pressures for fixing procurement prices on a level higher than what has been recommended should be resisted. The way it is put here, it looks reasonable but when the Agricultural Prices Commission looked into the prices they took the cost of production for the previous years but I would like you to kindly examine the enormous rise in the price of agricultural inputs within the last few months and unless proper remunerative prices are fixed your procurement is going to fail. Here I have one suggestion. Recently Government have said that so far as procurement is concerned the State Governments will be provided some bonus for procurement and the State Governments are supposed to finalise the schemes to provide incentives to farmers. That will take some six to eight months and we all know how these incentive schemes work. You cannot expect the farmer to surrender his grains and wait for the incentive schemes to come in. So I suggest whatever you want to give as incentive through the State Governments, you can straightway add it on to the price and give it as procurement price. Whether the incentive is provided through the State Government or whether you give it direct as procurement price, in any case consumer price will have to be subsidised. This is one suggestion I would like to make here.

Then I certainly agree with my friend. Mr. Raiu, that most of the resources for the Plan come from the household sector and we know how difficult it is going to be in course of time. I certainly support

him when he says that non-plan and wasteful Government expenditure must be thoroughly curtailed and charity should begin from home.

Before I close I would like to mention a word about conspicuous consumption which was discussed yesterday. We are talking of asking the people, even the agricultural community, to tighten their belt and be careful about their consumption pattern, and have austerity measures.

Now, there is the STC. The Government auctions Mercedes Benz and other cars which are sold for a lakh of rupees or Rs. 60,000—Who buys them? The private industrialists buy a few and then immediately there is a demand from Mr. Mohan Dharia's public sector managing directors and managers. Is it not a sort of conspicuous consumption and should they not look into these things? We can lecture to others, but what about our own standard? This is where there is such a big difference between precept and practice. Unless implementation measures to correct such anomalies are started here, the Government will not be in a position to advise other people about these austerity measures. Thank you very much.

SHRI N. R. CHOUDHURY (Assam) : Sir, we are discussing now the Approach to the Fifth Five Year Plan. We find that the Planning Commission has taken into consideration the reasons why our preceding Plans could not achieve the estimated target of economic growth. According to the Approach document the preceding Plans could not reach the estimated target due to our dependence on foreign aid. They have also visualised that mass participation was not there during the first four Plans. So, the Approach Account says that the Fifth Plan should aim at self-reliance and some measures are suggested herein for the involvement of the people in the process of developmental planning. Sir, I would like to point out that nowhere in this Approach document we find what should be the property relations through which our Planning Commission wants to develop our economy. If you study deeply the causes as to why our preceding Plans failed to achieve the estimated target of economic growth, you will find that it is the ownership relation prevailing in the rural sector that stood in the way. If you study it you will find that **the**

[Shri N. R. Choudhury] property relation in the rural sector is out and out feudal in character. It is the feudal lords who are practically dominating our rural politics and economy. They do not want that the lot of the agricultural labourer, the share-cropper or the majority of the population in the rural areas should improve. We are committed to wiping out tears from the eyes; of millions of people. So, today you must decide here and now whether you want Agricultural development and a high rate of industrial progress to take place in feudal set-up or an imperialist set-up. Today in the House from the reply given by the Home Minister to a question we find that in eight States 6195 cases of atrocities on Harijans, Scheduled Castes and Scheduled Tribes took place. Also, he has given a statement from which we find that in some cases the prosecution proceedings are pending and in some other cases the investigation is pending. But there has not been a single case in which the accused was punished. Why could not the accused be punished? That should also be the subject matter of study while we are approaching towards the Fifth Five Year Plan. The rural economy or the character of our rural society being different, being feudal in character, those people are very much dominant in the rural areas. In view of this fact, the administration fails to take any action against those people who are involved in atrocities against the Harijans, the Scheduled Castes and the Scheduled Tribes.

This Approach Document speaks of imparting education to 100 per cent of the population between the 6—11 age group and also to 50 per cent of the population in the age group between 11 and 14. To my mind, this is not possible under the present set-up in our villages. The Approach Document also suggests that land reform measures should be immediately taken to provide homesteads to the rural landless and to transfer cultivable land from those who have too much, to those who have little. I think that under the present set up this transfer of land from the big people to those who have no land or little land is not possible. Social changes in the rural areas are also not possible under the present set up because the feudal lords will never allow their bonded and near-slave

labour to take to education so that the latter can stand up with their heads high before their masters. Also the suggestion of giving homesteads to the landless in the villages will not be tolerated by these traditional leaders of Indian villages.

Wholesale trade in foodgrains has been taken over by the Government. They also propose to run the trade through the cooperatives. Now, Sir, these cooperatives have grown in this country. But what is the prospect of those? If you make a study of them, you will see—when the zamin-dari system has been abolished, the old landlords captured all these cooperatives and they are running all these things in the villages to their interest. Consumer cooperatives are being organised not by the consumers but by the trading classes of the area and they are being run to their interest. Till today, this cooperative movement, particularly in eastern India, has not been successful. If we are to distribute the foodgrains through the cooperatives, those who are exploiting the millions there will come up and form cooperatives because they are fortunate with education and all these things. They are also prominent persons in politics. And they will form cooperatives and the millions of other people will be deprived of the benefit which the planners or the Plan wants to provide for them.

Sir, in our industry the main problem is that of imperialist interest. Con-
1P.M.

sumer goods that we use, most of them have got relationship with foreign interest. Sir, imperialism has changed its colour now-a-days. Imperialism is coming through foreign collaboration and by import of foreign capital into this country. Goods of daily consumption such as toothpaste, tooth brush, tea, coffee, clothes and what not come from the clutches of foreign investors.

The successive plans have not been able to check these tendencies with the result that day by day our economy is plunging deeper into feudal and imperial hands. The Congress is wedded to self-reliance and socialism. It is for the planners to translate these goals properly. The property relation which they are envisaging through which they want to develop the

economy needs to be explained clearly. My suggestion is that the Fifth Plan should spell out clearly what will be property relation through the medium of which agricultural and industrial development is proposed and also the suggested development programme should unequivocally declare war against feudalism and imperialism to lead our economy towards the attainment of our national objective of democratic socialism.

Sir, the Planning Commission and the Government of India are committed to the removal of regional disparities. In this respect I would request the Minister to give due consideration to the cases of North Eastern States of Assam, Naga-land, Manipur, Tripura, Mizoram and Arunachal. This is one aspect of social justice which, in the case of these States, deserves greatest attention. I hope that the Planning Commission will very carefully consider all the suggestions the Government of Assam and her fellow members of the N.E.C. have made for Central projects in the States so that natural resources in these States are utilised and the necessary income and employment are generated in this region to have some comparable relationship between the per capita income in the North Eastern States and the rest of India.

In conclusion, Sir, I would like to suggest that the Government should be on guard against the right reactionary forces who have got united to foil all our moves towards socialism. The best way of fighting them is to involve the masses in the process of developmental planning. I hope with the lessons learnt during the preceding four Plans the Government will this time take all possible steps to achieve the estimated growth rate to lead the country towards the goal of socialism by eliminating poverty, reducing disparities in income and wealth and by removing regional imbalances.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 2 P.M.

The House then adjourned at five minutes past one of the clock-

The House reassembled after lunch at two of the clock; MR. DEPUTY CHAIRMAN in the Chair.

STATEMENT BY MINISTER *RE* TALKS IN RAWALPINDI ON INDO-BANGLADESH JOINT DECLARATION

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURLINDRA PAL SINGH): Sir, as the house is aware, on the 17th April, 1973 the Governments of India and Bangladesh issued a Joint Declaration which contained an offer for the immediate and simultaneous resolution of the humanitarian issues arising out of the conflict of December, 1971. The Government of Pakistan sought certain clarifications on the Declaration and for this purpose invited the Government of India to send a Representative to explain the various provisions of the Declaration. However, at the same time the Pakistan Government in its statement of April 20, 1973 came out with certain positions on these humanitarian issues which were not acceptable to the Governments of India and Bangladesh. After an exchange of correspondence between our Foreign Minister and Pakistan's Minister of State for Defence and Foreign Affairs, Mr. Aziz Ahmed, Pakistan indicated its willingness to discuss on the humanitarian basis the repatriation of the three categories of persons mentioned in the Declaration, namely, Pakistani prisoners of war and civilian internees in India, Bangladesh nationals detained in Pakistan and Pakistani nationals in Bangladesh. This exchange of correspondence took place with the knowledge and in consultation with the Bangladesh Government.

A Delegation led by the Special Emissary of the Prime Minister of India, Shri P. N. Haksar and comprising Shri Kewal Singh, Foreign Secretary, Prof. P. N. Dhar, Secretary to the Prime Minister and senior officials from the Ministry of External Affairs, visited Rawalpindi and Islamabad and held discussions with the Pakistan Delegation from 24th July to 31st July, 1973. The Pakistan Delegation was led by Mr. Aziz Ahmed, Pakistan's Minister of State for Defence and Foreign Affairs and included Pakistan's Foreign Secretary Mr. Agha Shahi and other senior officials.