

(b) if so, the nature of their decisions which have been presented to the Life Insurance Corporation of India; and

(c) what is the reaction of Government on their decisions?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR SAHU): (a) A convention of AU India Life Insurance Agents was held in Bombay from the 30th September, 1964 to 3rd October, 1964.

(b) The convention's decisions, if any, have not been presented to the Corporation so far.

(c) Does not arise.

SHRI D. THENGARI: Are life insurance agents given trade union rights?

SHRI T. T. KRISHNAMACHARI: I believe they are under two trade unions. So far as the officers and agents are concerned. I could not precisely say to which particular category the agents belong. They have trade union rights.

OUTLAY OF THE FOURTH FIVE YEAR PLAN

•201. SHRI R. S. KHANDEKAR: Will the Minister of PLANNING be pleased to state:

(a) whether the Planning Commission have taken a final decision on the outlay of the Fourth Five Year Plan; and

(b) if so, what is the outlay?

THE MINISTER OF FINANCE (SHRI T. T. KRISHNAMACHARI): (a) and (b) The National Development Council at its meeting held on 27-28th October, 1964 generally decided in favour of the Fourth Plan outlay ranging between Rs. 21,500 and Rs. 22,500 crores. Out of this, the investment in the private sector estimated to be Rs. 7000 crores, leaving the outlay in the public sector to be between Rs. 14,500 and Rs. 15,500 crores. The range of Rs. 1,000 crores

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in public sector outlay will be operative during the second half of the Plan only if the country's economy improves sufficiently to permit mobilisation of additional resources.

SHRI R. S. KHANDEKAR: Is it a fact that recently the hon. Finance Minister said that no deficit financing would be resorted to in the Fourth Five Year Plan?

SHRI T. T. KRISHNAMACHARI: Yes, Sir. The idea is that deficit financing will not be resorted to, and any expansion of currency will only be for the purpose of meeting the legitimate needs of the economy.

SHRI R. S. KHANDEKAR: Is it a fact that in the Fourth Five Year Plan more emphasis will be given to agriculture than industry?

SHRI T. T. KRISHNAMACHARI: I do not think so. As a matter of fact the amount that has been given to agriculture in the aggregate has been considerable for the reason that agriculture and irrigation will have an allocation as at present estimated of Rs. 3400 crores. Naturally it is much more in industry.

SHRI BHUPESH GUPTA: May I know whether in making this allocation or outlay for the Fourth Five Year Plan the Government had properly taken into account the minimum rate of growth which is required in our economy now and whether the Government considers or the Planning Commission considers that the investment that is proposed to be made will ensure that minimum rate of growth?

SHRI T. T. KRISHNAMACHARI: The optimum rate of growth the Planning Commission has in mind is about 7 per cent. It is expected that the outlay envisaged at the moment will provide somewhere between 6 and 7 per cent, and if actually we are

able to put in a thousand crores more, as we anticipate, I think it will be nearer 7 per cent than 6 per cent.

SHRI S. N. MISHRA: May I know what estimate has been made with regard to the step-up so far as our domestic savings are concerned?

SHRI T. T. KRISHNAMACHARI: At the present moment any question of discussion or even, consideration of the Fourth Plan targets is in the tentative stage. There is no question of taking any steps. It is possible that when our thinking becomes clearer, we might have to take some advance action during the last year of the Third Plan. If such a possibility eventuates, I shall probably make known to the two Houses in the Budget of what we propose to do.

SHRI S. N. MISHRA: My point has not been covered. Of course, this outlay is based on certain assumptions about the step-up in domestic savings. I am not asking the Minister about the steps to be taken, but about the assumption with regard to Domestic Savings.

SHRI T. T. KRISHNAMACHARI: At the moment I am not able to glance through the figures of our estimates to show precisely what it is. May be my memory is not very good. I can say this that in the course of a week or ten days we shall be placing on the Table of the House and make available to Members a copy of this memorandum in which the attempts we have made and the different types of thinking will be available.

SHRI S. N. MISHRA: Is it a fact that the allocation for industries in the Fourth Plan is going to be relatively less than that in the Third Plan?

SHRI T. T. KRISHNAMACHARI: Not in absolute terms. In absolute terms it is quite a considerable figure.

SHRI S. N. MISHRA: In terms of percentage.

SHRI T. T. KRISHNAMACHARI: In terms percentage, power, small industry, organised industry, transport and communication, it would be in the Third Plan 61.2 per cent, and in the Fourth Plan 55 per cent. I think the reduction comes in a large way in regard to transport and communication. Organised industry will be 203 per cent in the Third Plan and 205 per cent in the Fourth Plan.

SHRI FARIDUL HAQ ANSARI: The hon. Finance Minister in reply to a question whether the emphasis will be more on agriculture than on industry has said that nothing has yet been decided. May I know, if nothing has yet been decided, how the Cabinet Ministers, the Prime Minister, the Food Minister and everybody, were going about propagating in the country that higher priority would be given to agriculture in the Fourth Plan?

SHRI T. T. KRISHNAMACHARI: I have said that nothing has finally been decided and that our tentative decisions would be made available.

SHRI BHUPESH GUPTA: The hon. Minister said in reply to my earlier supplementary that he thinks that 6 to 7 per cent rate of growth could be ensured by this investment. Has he in this connection taken into account the experience of the first three Plans where the allocated amount was invested but the rate of growth was not ensured to the extent envisaged or estimated? May I know how the Government thinks in this connection that whereas investment in the industrial sector will remain more or less restively static, in organised industry, the rate of growth would go up from less than 4 per cent now to 7 per cent under the Fourth Plan?

SHRI T. T. KRISHNAMACHARI: I would like the hon. Member to have a look at this book and we would make it available to him. It is not static. Percentages are extremely

misleading because they are an abstract from reality. In fact the amount allotted for organised industry in the public sector in the Third Plan is Rs. 1662 crores. In the Fourth Plan it would be almost, very nearly double, Rs. 3200 crores. And if the other Rs. 1000 crores envisaged comes in, it might be an addition to it. It is not a static figure. In absolute terms the figures are something much bigger than the Third Plan. In actual fact the outlay that we intend for the Fourth Plan is in excess of the aggregates of the outlay of the first three Plans.

SHRI C. D. PANDE: In view of the fact that in the Third Plan only Rs. 10,000 crores are spent or are likely to be spent and that it has resulted in a serious inflation—that is the value of the rupee has gone down considerably—has the Government taken into consideration what will be the impact of Rs. 22,000 crores of expenditure in the coming five years in the purchasing value of the rupee, and whether any counterbalancing steps will be taken so that the inflation will not take place to that extent? Mere assurance that no deficit financing will take place is not enough to control the inflation.

SHRI T. T. KRISHNAMACHARI: I would not agree to words being put in my mouth. The facts I dispute. The outlay in the Third Plan in the public sector would be in excess of what we originally estimated, roughly about Rs. 100 crores more, but the question of the value of the rupee going down and all that sort of thing is a thing which I do not propose to accept. The point really is we do realise that anything that we do in respect of either giving increased prices to agriculturists or increase in the tempo of economic activity has an inflationary potential, and it is the hope of the Planning Commission and of Government that in executing the schemes of the Fourth Plan they will take into consideration all our failures in the past, all the lapses and also the

forces that have acted over which we have no control. Therefore, Sir, the Fourth Plan would need a measure of discipline considerably more in degree, and even in kind than what we see implemented in the Third Plan.

SHRI B. K. P. SINHA: Out of the funds earmarked for the industrial sector, public sector, what proportion is proposed to be spent on old projects, what proportion on small and consumer industries, and what proportion on new heavy industries? If the proportion to be spent on new heavy industries is to be reduced, do Government realise that the attainment of the take-off stage will be considerably delayed?

SHRI T. T. KRISHNAMACHARI: I am not in a position to answer the question because we do not have the break-up with us. We are still in the stage of study and anything he says will certainly be taken into account in the thinking. At the present moment we are dealing with a set of figures which we will present to Parliament.

SHRI N. SRI RAMA REDDY: In view of the fact that the hon. Prime Minister has laid emphasis on the production of consumer goods in the Fourth Plan, I would like to know whether special emphasis is given to this aspect of the question in preference to the basic industries.

SHRI T. T. KRISHNAMACHARI: As a matter of fact the Prime Minister has not laid special emphasis on a consumer goods. He has laid special emphasis on integrated development so that consumer goods which are needed in an economy of our kind are not neglected and I think the appropriate time would be when we present a further addition to this memorandum a little later on.

MR. CHAIRMAN: The Question Hour is over.